

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. SADLAK, for an indefinite period, on account of illness in the family.

To Mr. JACOBS, for 4 days, on account of death in the family.

To Mr. HAND (at the request of Mr. CASE of New Jersey), until May 31, 1950, on account of a death in his family.

ADJOURNMENT

Mr. McSWEENEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 24, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1471. A letter from the Acting Secretary of State, transmitting a draft of a bill entitled "A bill to provide for the education of the dependent minor children of the military and civilian personnel of the Federal Government stationed overseas"; to the Committee on Foreign Affairs.

1472. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Prison Industries, Inc., for the fiscal year ended June 30, 1949 (H. Doc. No. 602); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6339. A bill to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; with amendment (Rept. No. 2121). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOEBS: Committee on the Judiciary. H. R. 5487. A bill to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended; with amendment (Rept. No. 2122). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 8606. A bill to amend the act of March 12, 1914, to authorize the construction and operation of a cement plant in the Territory of Alaska, and for other purposes; to the Committee on Public Lands.

By Mr. JENKINS:

H. R. 8607. A bill to amend section 811 (g) of the Internal Revenue Code (relating to proceeds of life insurance); to the Committee on Ways and Means.

By Mr. VAN ZANDT:

H. R. 8608. A bill to provide for a national agricultural policy to be carried out on a self-sustaining basis, and to promote conservation and development of the Nation's soil resources; to the Committee on Agriculture.

By Mr. McMILLAN of South Carolina:

H. R. 8609. A bill to authorize the District of Columbia government to establish an Office of Civilian Defense, and for other purposes; to the Committee on the District of Columbia.

By Mr. PETERSON:

H. R. 8610. A bill relating to the activities of temporary and certain other employees of the Bureau of Land Management; to the Committee on Public Lands.

By Mr. RHODES:

H. R. 8611. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to reduce the Federal employee payroll by providing additional opportunities for optional retirement; to the Committee on Post Office and Civil Service.

By Mr. WERDEL:

H. R. 8612. A bill to provide for the construction of a military and strategic mineral access highway in the State of California; to the Committee on Public Works.

By Mr. HORAN:

H. R. 8613. A bill to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation; to the Committee on Agriculture.

By Mr. DONOHUE:

H. Con. Res. 215. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. CLEMENTE:

H. Res. 610. Resolution providing for the appointment of a special committee of five Members of the House of Representatives to investigate the high cost of building materials; to the Committee on Rules.

By Mr. GATHINGS:

H. Res. 611. Resolution authorizing Members of the House of Representatives to have inserted in the Washington telephone directory, as their business telephone number, the number of the United States Capitol; to the Committee on House Administration.

By Mr. MULTER:

H. Res. 612. Resolution requesting the President to appoint a bipartisan commission relating to American policy in Germany; to the Committee on Foreign Affairs.

By Mr. VINSON:

H. Res. 615. Resolution to authorize and direct the Committee on Armed Services to conduct thorough studies and investigations relating to matters involving the finance activities of the Department of the Army; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHELF:

H. R. 8614. A bill for the relief of Terry L. Hatchett; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 8615. A bill for the relief of William M. Gordon and Emma L. Gordon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2160. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, for Congress to pass legislation providing funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Appropriations.

2161. Also, resolutions of the Massachusetts Legislature, memorializing Congress to pass a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

2162. Also, memorial of the Massachusetts Legislature, for Congress to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2163. Also, memorial of the Massachusetts Legislature, for Congress to pass legislation reducing to 60 years the age for eligibility for old-age assistance; to the Committee on Ways and Means.

2164. By the SPEAKER: Petition of Carl H. Reister, secretary, Los Angeles Postal Organizations Council, Los Angeles, Calif., against curtailment of postal service; to the Committee on Post Office and Civil Service.

SENATE

WEDNESDAY, MAY 24, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who desires truth in the inward parts, we would come to Thee in that fear of the Lord which is the beginning of wisdom. Keep us, we beseech Thee, from the folly of attempting to deceive Thee, unto whom all hearts are open, all desires known. As those whose powers are dedicated to the Nation's weal, make us ever faithful to each challenging duty, loyal to every high claim. With Thy benediction may we face the toil of this day with honest dealing and clear thinking, with hatred of all hypocrisy and sham, and in the knowledge that all great and noble service in this world is based on gentleness and patience and truth. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 23, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 23, 1950, the President had approved and signed the act (S. 2350) to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed, without amendment, the joint resolution (S. J. Res. 183) to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. THOMAS, Mr. NORRELL, Mr. WHITTEN, Mr. TABER, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes;
H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes; and

H. R. 8568. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 8199) to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project, and it was signed by the Vice President.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. LANGER was excused from attendance on the sessions of the Senate for an indefinite period.

CALL OF THE ROLL

Mr. GEORGE. Mr. President, I suggest the absence of a quorum, unless the distinguished Senator from Nevada [Mr. MALONE] who has the floor wishes to proceed at once.

Mr. MALONE. It is agreeable to me to have a quorum call.

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Millikin
Anderson	Hoey	Mundt
Benton	Holland	Myers
Brewster	Humphrey	Neely
Bricker	Hunt	O'Connor
Bridges	Ives	O'Mahoney
Butler	Jenner	Robertson
Byrd	Johnson, Colo.	Russell
Cain	Johnson, Tex.	Saltonstall
Capehart	Kefauver	Schoeppel
Chapman	Kem	Smith, Maine
Connally	Kilgore	Smith, N. J.
Cordon	Knowland	Sparkman
Darby	Leahy	Stennis
Donnell	Lehman	Taft
Dworschak	Long	Taylor
Eastland	Lucas	Thomas, Utah
Eaton	McCarran	Thye
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Flanders	McFarland	Wherry
Fulbright	McKellar	Wiley
George	McMahon	Williams
Gillette	Magnuson	Withers
Hayden	Malone	
Hendrickson	Martin	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. KERR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday, the junior Senator from

Nevada [Mr. MALONE] is entitled to the floor. Will the Senator from Nevada yield so that the Chair may recognize Senators for the transaction of routine business?

Mr. MALONE. I yield for that purpose, provided I do not lose the floor.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred, as indicated:

REVISED ESTIMATE, TREASURY DEPARTMENT
(S. Doc. No. 175)

A communication from the President of the United States, transmitting a revised estimate of appropriation, involving a decrease of \$52,500, for the Treasury Department, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

EDUCATION OF DEPENDENT MINOR CHILDREN OF CERTAIN PERSONNEL STATIONED OVERSEAS

A letter from the Under Secretary of State, transmitting a draft of proposed legislation to provide for the education of the dependent minor children of the military and civilian personnel of the Federal Government stationed overseas (with an accompanying paper); to the Committee on Foreign Relations.

REDUCTION OF TARIFF RATES ON LEATHER GLOVES—RESOLUTIONS

Mr. IVES. Mr. President, I present for appropriate reference resolutions adopted by the Glove Workers' Union, and the Consolidated Glove Cutters Union, both of Fulton County, N. Y., protesting against the enactment of legislation to lower the tariff rates on leather gloves, and I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF GLOVE WORKERS' UNION OF FULTON COUNTY, OPERATORS' AND DAY HANDS' BRANCH, GLOVESVILLE, N. Y.

The Glove Workers' Union of Fulton County, Operators' and Day Hands' Branch, representing more than 3,300 workers in the sewing and utility branches of the industry, at its regular monthly meeting, held May 15, 1950, unanimously voted that the following resolution be adopted:

"Whereas in view of the present unfavorable and dire economic conditions in our industry, which conditions have been steadily worsening for the past 3 years, our people recognize that it would be grossly unfair on the part of the State Department, through the mechanics of the coming trade-agreement negotiations, to even consider the prospect of bargaining for lower tariff rates on men's and women's leather dress gloves which are dutiable under paragraph 1532 (a) of the Tariff Act of 1930; and

"Whereas it would be obviously detrimental to the employees of this American industry to be at this time forced to meet increased competition from the product of lower-paid workers in foreign-glove industries, which would result from a lowering of the present tariff rates; Now, therefore, be it

"Resolved, That the members of this union go on record as being unanimously opposed to any action which would result in the lowering of the tariff rates on leather gloves; and that a copy of this resolution be forwarded to the President of the United States and to the Members of the United States Senate and House of Representatives."

RESOLUTION ADOPTED BY THE CONSOLIDATED GLOVE CUTTERS AND SHAVERS UNION OF FULTON COUNTY, NEW YORK STATE

Whereas the Committee for Reciprocity Information notified the 1,500 glove cutters and shavers in the union that further tariff cuts were to be considered by this committee and recommended to the President for adoption, our organization, after giving full consideration to the facts involved, submits this resolution to the President of the United States, the Secretary of State, and to the Committee for Reciprocity Information:

During the past 2½ years, the leather-glove industry located in the area of Fulton County, New York State, has suffered a serious injury caused by general economic conditions beyond its control, to such an extent that, as of May 1, 1950, the entire glove industry had in excess of 5,000 workers drawing unemployment benefits and better than 1,600, in addition to the above 5,000, who have exhausted their benefits.

A large portion of this group are cutters who have devoted their lives to the leather-glove industry, and who face extinction should any further tariff cuts be imposed that will aggravate the actual existing acute situation: Now, therefore, be it

Resolved, That the Consolidated Cutters and Shavers Union of Fulton County are unanimously opposed to any further reduction in the tariff; and the membership votes that a group composed of officers and directors do everything in their power to prevent such cuts from being enacted; and be it further

Resolved, That the glove cutters recommend that, in view of the serious situation already existing, leather gloves be removed from the bargaining list; and finally be it

Resolved, That a certified copy of this resolution be forwarded to the following: The President of the United States; the Secretary of State; the Committee for Reciprocity Information; United States Senators Irving M. Ives, Herbert Lehman, and George Malone; Congressman Bernard W. Kearney; James H. Casey, Jr., secretary of the National Association of Leather Glove Manufacturers; and to the entire membership of the House and Senate of the United States.

CURTAILMENT OF POSTAL SERVICES—RESOLUTION OF CITY COUNCIL OF CHISHOLM, MINN.

Mr. HUMPHREY. Mr. President, I have a resolution adopted by the City Council of the City of Chisholm, Minn., expressing opposition to the recent order curtailing services by the Post Office Department, and ask unanimous consent that it be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

RESOLUTION IN REGARD TO CURTAILMENT OF POSTAL SERVICES

Whereas the Federal Government plans to cut postal services, including a decrease in deliveries, personal and business, decrease in personnel, and reduction of post-office window hours; and

Whereas the city council believes that a curtailment of these services would hinder prosperity: Now, therefore, be it

Resolved by the City Council of the City of Chisholm at a regular meeting duly held this 27th day of April 1950, That the curtailment of postal services, decrease in deliveries, personal and business, decrease in personnel, and reduction of post-office window hours in this city be and hereby is vigorously opposed for the reason that the curtailment of these postal services would hinder the distribution of information and

would reduce the efficiency of our production operation; be it further

Resolved, That copies of this resolution be forthwith forwarded to Senator THYE, Senator HUMPHREY, Congressman BLATNIK, and Congressman HAGEN, of Minnesota, House Post Office Committee.

FORESTRY PRACTICES—RESOLUTION OF BOARD OF COUNTY COMMISSIONERS, LAKE OF THE WOODS COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I have a resolution adopted by the Board of County Commissioners, Lake of the Woods County, Baudette, Minn., expressing opposition to S. 1820, relating to Federal forestry practices through the Department of Agriculture, and ask unanimous consent that it be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the Anderson bill, Senate file 1820, provides for the Federal regulation of forestry practices through the Department of Agriculture; and

Whereas the State of Minnesota has a very fine forestry program and forestry supervision; and

Whereas the proposed bill would be an infringement on State rights, and the forests of Minnesota should be controlled by the people from Minnesota: Now, therefore, be it

Resolved, That this county board at its regular meeting of May 9 and 10 in the county office building at Baudette, Minn., places itself on record in opposition to said bill and further, that the United States Senators and Congressmen from Minnesota are hereby requested to vote against same and use their influence to oppose said bill.

COMPULSORY HEALTH INSURANCE—RESOLUTION OF ROCKDALE (MD.) HOME-MAKERS' CLUB

Mr. O'CONOR. Mr. President, as further evidence of the feeling in Maryland with regard to the matter of compulsory health insurance, I am today in receipt of a resolution adopted by the Rockdale Homemakers Club, a public-spirited organization, of Rockdale, Baltimore County, Md., in which the members of that organization place themselves definitely on record "against any form of compulsory health insurance." I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the United States leads the world in health, medical care, and medical research under a free enterprise system; and

Whereas compulsory health insurance throughout the world has and is destroying medical and health standards; and

Whereas compulsory health insurance carries a prohibitive cost, encourages inefficient medical care and promotes political abuses by both patient and doctor; and

Whereas compulsory health insurance is a national move toward a welfare state, increasing public demands upon Government and eventual communistic control by Government of a helpless people: Now, therefore, be it

Resolved, That the Rockdale Homemaker's Club does hereby go on record against any form of compulsory health insurance or any facsimile in the interest of a free and strong America; that a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative

from the State of Maryland, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

CATHERINE G. WEIDEMEYER,
President.

ILEEN M. RUSH, Secretary.

Rockdale, Baltimore County, Md., dated this 12th day of May 1950.

ARMS AND MUNITIONS SUPPLIED TO ARAB STATES—RESOLUTION OF JEWISH CITIZENS OF HAGERSTOWN, MD.

Mr. O'CONOR. Mr. President, many of our citizens are disturbed, and, I believe, rightly so, over the reports of increasing tension in the Near East because of continuing arms and munitions shipments by Great Britain to the Arab countries surrounding the infant State of Israel.

A resolution which reached me signed by a number of splendid citizens of Hagerstown, Md., presents the case succinctly. I ask unanimous consent that the resolution be inserted in the RECORD, including the names, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RESOLUTION OF CONGREGATION B'HAI ABRAHAM, HAGERSTOWN, MD.

Whereas it is known from reliable sources that arms of a quality and quantity indicating intended use beyond the purpose of internal security are being supplied to the Arab states in the Middle East, most particularly to Egypt, by Great Britain; and

Whereas this Arab rearmament by Great Britain has the acknowledged approval of the United States Government; and

Whereas at the same time Great Britain has denied Israel arms for its defense; and

Whereas the Arab League has proclaimed its intention to organize a united economic and military front of all Arab states against the struggling State of Israel; and

Whereas we are convinced of the genuine concern of the United States for the peace and security of the Middle East: Therefore be it

Resolved, That we, Hagerstown Jewish Community, in meeting in Hagerstown, Md., May 14, 1950, do call upon the United States to implement its proclaimed concern and desire for peace in the Middle East by providing Israel with arms to defend itself, thus lending its strong influence to the maintenance of peace in the Middle East.

Mrs. S. H. Macht, Stanley H. Macht, M. D., Norman Rosen, Lois B. Rosen, Mrs. M. Greenwald, Edna M. Feldman, M. J. Frank, O. H. Rosen, Pearl Rosen, Mr. and Mrs. Harry Kerstein, I. A. Lyon, John Niner, Elsie Frank, Elly K. Lyon, Rae Ruben, Rita and Ben Kimmel, Ida Berkson, Mrs. Alfred Geber, Stanley Feldman, Isadore Spector, Mrs. Norma C. Spector, K. W. Rosen, Rolato Shechtach, H. P. Cohen, Rose and Emery Rosenbluth, Hyman Ross, Jennie Rosen, Bea Ross, Lou and Sarah Cohen, Alfred Geber, Ernst J. Conred, Lida C. Cohen, Rae and Norman Bierns, Bud and Jess Bierns, Edith Novenstein, Sidney Novenstein, M. D., Joseph Bierns, Marilyn Quint, Meyer Berkson.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the District of Columbia:

S. 927. A bill to provide that children be committed to the Board of Public Welfare in

lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare, and for other purposes; without amendment (Rept. No. 1739).

By Mr. HUNT, from the Committee on the District of Columbia:

S. 3632. A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system; without amendment (Rept. No. 1740).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 5872. A bill to extend the boundaries of the Toiyabe National Forest in the State of Nevada; without amendment (Rept. No. 1741).

ADDITIONAL EXPENDITURES BY COMMITTEE ON FINANCE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, without amendment, Senate Resolution 269, reported by the Senator from Georgia [Mr. GEORGE] from the Committee on Finance, on May 9, 1950, and referred to the Committee on Rules and Administration, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read as follows:

Resolved, That the Committee on Finance hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, \$5,000, in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire of the distinguished Senator from Arizona if this is not an additional appropriation for a legislative committee, in addition to the amount and for the same purposes specified in the act?

Mr. HAYDEN. Yes; and the next two resolutions I shall report are for the same purpose.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

ADDITIONAL EXPENDITURES BY JUDICIARY COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 282, submitted by the Senator from Nevada [Mr. McCARRAN] on May 22, 1950.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, That the Committee on the Judiciary hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, \$10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as supplemented by Senate Resolution 177, agreed to October 13, 1949.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, I ask the distinguished Senator if the resolution is similar in purpose to the previous resolution?

Mr. HAYDEN. Exactly.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

ADDITIONAL TEMPORARY PERSONNEL AND INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 275, submitted by the Senator from South Carolina [Mr. JOHNSTON] on May 15, 1950, and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized during the Eighty-first Congress to make such expenditures, and to employ upon a temporary basis such investigators and such technical, clerical, and other assistants, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed \$3,000 (in addition to amounts heretofore made available for such purposes), shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF REPORT RELATING TO OLD-AGE AND SURVIVORS INSURANCE SYSTEM

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report an original resolution relating to printing, and ask for its present consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 285) was read, as follows:

Resolved, That there be printed 4,000 additional copies of Senate Report No. 1869, Eighty-first Congress, second session, accompanying the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes, submitted by the Committee on Finance. Such additional copies shall be for the use of the Senate document room.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. TAFT:

S. 3646. A bill for the relief of Mrs. Sadae Yamamoto Walters; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 3647. A bill for the relief of Madeleine Quarez; to the Committee on the Judiciary.

By Mr. ECTON:

S. 3648. A bill for the relief of William H. Howe; to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes; to the Committee on Armed Services.

H. R. 8568. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP—RECOMMITTAL OF BILLS

Mr. GEORGE. Mr. President, I ask unanimous consent that the bill (H. R. 5327) to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes, be taken from the calendar and recommitted to the Senate Finance Committee. I have conferred with the Senator from Arizona, who is interested in the bill particularly, and with the ranking member on the minority side, and also with the Senator from Ohio.

The VICE PRESIDENT. Is there objection to the request of the senior Senator from Georgia? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Alfred C. Holmes, an employee in the Coast and Geodetic Survey, to be ensign; and William Walter Richter, and sundry other persons, to be lieutenants in the United States Coast Guard.

ADDRESSES ON THE OCCASION OF THE PUBLICATION OF VOLUME 1 OF THE PAPERS OF THOMAS JEFFERSON

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record the ad-

dress delivered by the President of the United States at the Library of Congress on the occasion of the publication of volume 1 of the Papers of Thomas Jefferson, on May 17, 1950, and the address delivered by Douglas Southall Freeman on the same occasion, which appear in the Appendix.]

THE BATTLE OF THE BUDGET BULGE— ADDRESS BY SENATOR FERGUSON

[Mr. FERGUSON asked and obtained leave to have printed in the Record an address entitled "The Battle of the Budget Bulge," delivered by him at a luncheon meeting of the United States Chamber of Commerce, May 2, 1950, at the Statler Hotel, Washington, D. C., which appears in the Appendix.]

HAPPENINGS IN WASHINGTON— PROGRAM NO. 25

[Mr. MARTIN asked and obtained leave to have printed in the Record a radio broadcast made by him, under the heading "Happenings in Washington—Program No. 25," which appears in the Appendix.]

THE ROLE OF THE DEMOCRAT IN WORLD AFFAIRS—ADDRESS BY SENATOR LEH- MAN

[Mr. LEHMAN asked and obtained leave to have printed in the Record an address on the subject of the role of the Democrat in world affairs, delivered by him before the Women's National Democratic Club of Washington, D. C., on May 19, 1950, which appears in the Appendix.]

POINT 4 AND THE UNITED NATIONS— ARTICLE BY MORDECAI EZEKIEL

[Mr. LEHMAN asked and obtained leave to have printed in the Record an article entitled "Point 4 and the United Nations," written by Mordecai Ezekiel, and published in the New Republic of May 15, 1950, which appears in the Appendix.]

WHO KILLED COCK ROBIN?—EDITO- RIAL FROM THE WILMINGTON (DEL.) JOURNAL—EVERY EVENING

[Mr. WHERRY asked and obtained leave to have printed in the Record an editorial entitled "Who Killed Cock Robin?" published in the Wilmington (Del.) Journal-Every Evening, of May 20, 1950, which appears in the Appendix.]

COMPULSORY FEPC LAW—EDITORIAL FROM THE WASHINGTON STAR

[Mr. RUSSELL asked and obtained leave to have printed in the Record an editorial entitled "Senate in Mourning," published in the Washington Star on May 21, 1950, which appears in the Appendix.]

PROPOSED FEPC LEGISLATION—EDITO- RIAL FROM THE DESERET NEWS

[Mr. RUSSELL asked and obtained leave to have printed in the Record an editorial entitled "Proposed FEPC Bill Is Unwise Legislation; It Should Not Pass," published in the Deseret News of Salt Lake City, Utah, May 10, 1950, which appears in the Appendix.]

PROPOSED TRANSFER OF THE NAVY SPE- CIAL DEVICES CENTER FROM SANDS POINT, LONG ISLAND—EDITORIAL FROM NEWSDAY, GARDEN CITY, LONG ISLAND

[Mr. IVES asked and obtained leave to have printed in the Record an editorial entitled "Johnsonian 'Economy'," published in Newsday of Garden City, Long Island, on Friday, May 19, 1950, which appears in the Appendix.]

OHIO POLL ON FARM PROGRAM

[Mr. BRICKER asked and obtained leave to have printed in the Record a press release and poll taken by the Ohio Farm Bureau on the question "What Kind of a Farm Program Do You Want?" which appears in the Appendix.]

GRIEVANCES OF THE AMERICAN CHAM- BER OF COMMERCE OF MOROCCO

[Mr. WILEY asked and obtained leave to have printed in the Record an excerpt regarding treaty compliance from the statement of the managers on the part of the House on House bill 7797, the Foreign Economic Assistance Act of 1950, and a letter from the president of the American Chamber of Commerce of Morocco relative to the grievances of Americans doing business in Morocco, which appear in the Appendix.]

WISCONSIN ESSAY CONTEST ON EMPLOY- ING PHYSICALLY HANDICAPPED WORK- ERS

[Mr. WILEY asked and obtained leave to have printed in the Record a statement prepared by him on the subject of the Wisconsin essay contest on employing physically handicapped workers, which appears in the Appendix.]

TRIBUTE TO ADDRESS OF SENATOR BENTON ON FEPC

[Mr. HUMPHREY asked and obtained leave to have printed in the Record an editorial from the Minneapolis Morning Tribune of May 13, 1950, entitled "Cousinly Resemblance," paying tribute to the address on fair employment practices legislation delivered by Senator BENTON, which appears in the Appendix.]

REJECTION OF REORGANIZATION PLAN NO. 12, RELATING TO NLRB

[Mr. HUMPHREY asked and obtained leave to have printed in the Record an editorial entitled "NLRB: What Next?" published in the Washington Post of May 13, 1950, which appears in the Appendix.]

FOREIGN STUDY WITH AMERICAN COLLEGE CREDIT

[Mr. HUMPHREY asked and obtained leave to have printed in the Record a report by Roxie Lodge on the Institute of World Studies held at the University of Amsterdam in the summer of 1949, which appears in the Appendix.]

CONTRIBUTIONS OF SENATOR LEHMAN TO THE DAIRY INDUSTRY

[Mr. HUMPHREY asked and obtained leave to have printed in the Record an editorial entitled "Senator LEHMAN Would Know Facts," published in the Metropolitan Milk Producers' News for April 1950, which appears in the Appendix.]

JAMES MADISON AND THE AMERICAN IDEAL—ORATION BY WALTER C. Mc- SHERRY

[Mr. CAIN asked and obtained leave to have printed in the Record an oration entitled "James Madison and the American Ideal," delivered by Walter C. McSherry, of the United States Military Academy at West Point, class of 1950, in an oratorical contest at West Point, which appears in the Appendix.]

SEEDS OF TREASON—EDITORIAL BY T. A. STEVENSON

[Mr. CAIN asked and obtained leave to have printed in the Record an editorial entitled "Seeds of Treason," written by T. A. Stevenson, editor and publisher of the Rosemead (Calif.) Review, which appears in the Appendix.]

LYNCH LAW FOR DUCKS AND GEESE— ARTICLE BY SENATOR ROBERTSON

[Mr. ROBERTSON asked and obtained leave to have printed in the Record a statement entitled "Lynch Law for Ducks and Geese," prepared by him, which appears in the Appendix.]

PERSONAL STATEMENT

Mr. MARTIN. Mr. President, I ask unanimous consent to speak for not more than 5 minutes, with the understanding that the Senator from Nevada does not lose his rights to the floor.

The VICE PRESIDENT. Is there objection to the Senator from Pennsylvania addressing the Senate for 5 minutes? The Chair hears none, and it is so ordered.

Mr. MARTIN. Mr. President, in a lifetime of political activity and in public office I have enjoyed the most cordial relations with the press.

I have had the pleasure of close personal association with many newspapermen—reporters, editors, and publishers. I cannot recall a single one whom I would hesitate to call my friend, even though we were not always in agreement.

In all the years during which I have had contact with newspapermen there have been only three instances in which I have been misquoted. Two occurred many years ago.

The third instance concerns a distinguished Member of this body, and for that reason I ask the indulgence of the Senate while I read a letter which I have addressed to Mr. Lee Ellmaker, publisher of the Philadelphia Daily News.

It is as follows:

I regret that it has become necessary to call your attention to a quotation attributed to me in the Philadelphia Daily News of May 18 which is completely false and extremely embarrassing.

The quotation appeared in the column of Washington comment headed "Under the Dome." It made reference to the distinguished Senator from Tennessee, the Honorable KENNETH MCKELLAR, in words which I have never used and which grossly misrepresent my high regard for Senator MCKELLAR's outstanding ability.

I trust you will take such steps as seem advisable to prevent a repetition of such an offensive departure from your usual high standard of accuracy and fairness.

With kindest personal regards, believe me,
Very sincerely,

EDWARD MARTIN.

Mr. President, I do not question the right of any newspaper to place its own interpretation on anything we do here or anything we say here.

I do not question the right of any newspaper to comment favorably or unfavorably upon the action of this body or upon the views expressed in this Chamber by any individual Member.

That is a sacred right of the American free press, guaranteed and protected by the Bill of Rights of our Constitution.

But I insist that freedom of the press imposes responsibility for accuracy, fairness, and honest reporting.

It is most embarrassing to me to have been represented as having referred to the able and distinguished Senator from Tennessee in any terms except those of the highest praise.

THE LATE JOHN ANDREWS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to speak for 30 seconds on the death of John Andrews, special clerk to the minority of the House of Representatives.

The VICE PRESIDENT. Is there objection? The Chair hears none, and

the Senator from Massachusetts may proceed.

Mr. SALTONSTALL. Mr. President, as a Senator from Massachusetts, I wish to join with my colleagues in the House of Representatives in expressing my personal sorrow on the death of John Andrews, of Salem, Mass., special clerk to the minority of the House of Representatives.

Since 1917 Mr. Andrews had served the Republican Party continuously. A war veteran of the First World War, he ended his war service to become secretary to several Members of the House of Representatives from Massachusetts. He then was elected clerk of the party. He was the Clerk of the House of Representatives in the Eightieth Congress.

A man of his word, Mr. Andrews was always pleasant, helpful, and courteous to every Member of Congress, no matter of what party. Congress will miss his constant aid, and we from Massachusetts will feel the loss of a personal friend. I know I express the feelings of all Republicans when I send my deepest sympathy to his wife and his family.

GRADUATION LEAVE UPON APPOINTMENT AS COMMISSIONED OFFICERS IN THE REGULAR COMPONENTS OF THE ARMED FORCES

Mr. MCCARRAN. Mr. President, I ask unanimous consent that the pending business may be temporarily laid aside, and that the Senate proceed to consider House bill 7635, Calendar No. 1563, to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of the graduates of the United States Military, Naval, or Coast Guard Academies. I have drawn the attention of the Senator from Texas [Mr. CONNALLY] and the leader of the minority to what I propose to do. If the consideration of the bill takes more than 5 or 6 minutes, I shall immediately withdraw it.

The VICE PRESIDENT. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7635) to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academies.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, I wish to say to the distinguished Senator from Nevada that with the understanding that consideration of the bill will not take more than 5 or 6 minutes, I have no objection to its present consideration.

My understanding is that the bill will simply place the cadets at West Point on a par with the Annapolis midshipmen, so far as leave is concerned.

Mr. MCCARRAN. That is correct. For many years the members of the graduating class at West Point have, immediately following their graduation, been granted 60 days' leave. This bill

would grant a similar privilege to graduates from the Coast Guard Academy and graduates from the Naval Academy at Annapolis.

The bill has been passed by the House, and has been approved by the Senate committee.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7635) was considered, ordered to a third reading, read the third time, and passed.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

POINT 4—ECA—1934 TRADE AGREEMENTS ACT—ITC

Mr. MALONE. Mr. President, yesterday when the Senate took a recess for the day, I had just said that for the past 2 years we have been furnishing cash and goods and industrial equipment to the 16 Marshall-plan countries through the Marshall plan ECA, with the result that, in turn, they have been able to furnish the goods to Russia and the iron-curtain countries to make war on the United States of America and to consolidate their position in eastern Europe and China.

WAR SUPPLIES DIRECT TO RUSSIA

They are getting the necessary supplies on the first bounce; that is to say, the 16 Marshall-plan countries have, since the close of World War II, made 96 trade treaties with Russia and the iron-curtain countries, shipping them every kind of material it is necessary for them to have in order to make war upon the United States of America and to consolidate their gains in eastern Europe and in China. Those materials include ball bearings, tool steel, electrical equipment, road machinery, agricultural machinery, locomotives, freight cars—almost every conceivable needed manufactured and processed product.

NO REGARD FOR OUR SAFETY OR THEIR INTEGRITY

The Marshall plan ECA countries have proved, as I said yesterday, that they have no regard for our safety or for their own integrity; they have proved that by trading directly with nations which we said we wanted to "contain." Of course, Mr. President, we should remember that we said we wanted to "contain" Russia with the ECA Marshall plan money. We have used a peculiar method to "contain" a nation—by sending her everything she needs, already manufactured and processed, to fight us in world war III and to consolidate her gains in eastern Europe and China. Nevertheless, the theory was that we were containing them by the adoption of the Marshall plan.

MUST DISCUSS THE ENTIRE PATTERN AS ONE SUBJECT

Mr. President, it is impossible to discuss point 4, the ECA, the North Atlantic Pact, the 1934 Trade Agreements Act, and international trade agreements leg-

islation separately. All of them are one and the same thing. All of them add up to a pattern of procedure and additional siphons into the United States Treasury, by means of which the necessary funds, the necessary industrial equipment, and the necessary encouragement are furnished to equip our potential enemies.

WHAT IS OUR OBJECTIVE?

The junior Senator from Nevada said on many occasions that we should make up our minds which side we are on. If we are still in a cold war with Russia, including eastern Europe, then let us cease immediately all shipments and all assistance to the nations of the world that are helping Russia and her satellite countries equip for a third world war.

WHOM ARE WE HELPING?

However, if we are not in a cold war or if the definition of a cold war has been misunderstood, and if we want Russia and the countries behind the iron curtain to get all the equipment they are now being furnished, the industrial products manufactured and processed with the aid we are giving the ECA nations, then let us acknowledge that fact and increase trading directly with Russia and her satellites. Let us quit fooling the American people.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. MALONE. I am happy to yield to the Senator from Ohio.

Mr. TAFT. In dealing with this particular program, as contrasted with the ECA, does not the Senator consider that this program is a proposal to give aid to practically every country in the world?

Does not the Senator consider that the words "economically underdeveloped areas of the world" apply to practically every country in the world?

Mr. MALONE. In answer to the distinguished Senator from Ohio, let me say that overnight I have tried to analyze what those words do mean. The only answer I can arrive at is that through this proposal, through this amendment, to the wording of the point 4 provision—which, by the way, has no place in this kind of a bill, anyway—we could even develop the backward areas of Russia.

POINT 4 COULD HELP RUSSIA DIRECTLY

Mr. TAFT. Or any of the other Communist countries, so far as that is concerned?

Mr. MALONE. Yes, or any of the other Communist countries or any of their satellites. As a matter of fact, I would say to the distinguished Senator from Ohio that we could then do directly, through point 4, what we are now doing indirectly by sending the goods to Europe through the ECA and permitting, if not encouraging, Europe to send a large part of their production to Russia and the satellite countries which, of course, includes many of the so-called backward areas. The only change made by the adoption of the present point 4 proposal would be that we could be sending the goods directly to the Communist countries, and by that means we ourselves could make the profit accruing from those transactions instead of working through the ECA nations.

Mr. TAFT. Does not the phrase "economically underdeveloped areas of the world" apply to the United States itself? Are not we constantly trying to further develop our own economic capacity?

Mr. MALONE. I will say to the Senator from Ohio that this language or definition could be applied to almost any area in the United States except the most highly industrialized areas, and probably to them, for even those areas are constantly improving their industrial equipment. "Underdeveloped areas" is a comparative term.

Mr. TAFT. So this program differs from the ECA program in that it no longer has an anti-Communist connotation or a connotation of a program by which we are aiding countries which are supposed to be fighting communism; but this program is wide open to the entire world, including the Communist countries. Is that correct?

AID FOREVER MORE: ONE WORLD

Mr. MALONE. That is correct. I would say that by means of this program, if we adopt it, we shall have gone the full circle. In other words, in 1947 and 1948 when we were laying the ground work, by means of the State Department's great propaganda machine, that we were endeavoring to restore the industrial capacity for war-torn Europe, and therefore we must provide the money and machinery to restore their industrial capacity—meaning, to any sane person, that we would restore their industrial capacity to what it was on the basis of the 1937 or 1938 index. However, by 1949 we were told that overproduction was Europe's problem—and that we must divide our markets with them—by that means, bring on the trade millenium. In order to divide our markets—source of income—accomplish that end through the 1934 Trade Agreements Act, as extended, the State Department or the Chief Executive began to hasten the action to divide our markets with the European countries, through a reduction of tariffs and import fees, without regard to differences in the wage-living standards here and in the foreign competitor countries.

Then in 1950 we were told, straight across the board, "You can either appropriate the \$3,300,000,000 or have a depression in the United States," almost immediately.

Now we come to the truth, for the first time, namely, that the desire is to spread the markets and the resources of the United States across the entire world—to average the living standards of the nations of the world—and in fact have "one economic world."

Mr. TAFT. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield.

Mr. TAFT. In considering how this program differs from the ECA, is not there another important change in the fact that the ECA was frankly for a particular emergency, whereas this proposal, now that we have removed the 5-year limitation, provides for a permanent program for all time to come? Is that not also substantially different from the ECA program?

Mr. MALONE. In answer to the Senator from Ohio I would say it is. On paper, for the first time, openly and above board, the objective is that of continuing from now on aid to Europe and to all the other nations of the world. But I may also say to the distinguished Senator, if he would turn back the pages of the book and look at the debates in March 1948 he would see that the junior Senator from Nevada then said that ECA was just that, and it was never intended as a recovery measure in the first place, and that industrial recovery and increased production are easy to bring about. Production is not the problem, as any industrialist in the distinguished Senator's own State of Ohio will tell him. Any glass factory or machine shop can produce at all because he can get the credit with which to buy machinery to produce if he has the market. But the question in every industry of the United States of America and everywhere else in the world, as a matter of fact is, Are there markets for the goods which are to be produced? We all knew that the markets were the problems. It all came out in the debate in March 1948. That is, the question, What are we going to do with the goods? Are we to buy them here when we help them to produce more goods than they can use? From what are we trying to recover? The industrial index at that moment showed the recovery of every European nation except Austria and Germany, to the extent of from 90 to 100 percent of the 1937-38 index and the index of recovery on that basis now shows approximately 125 percent.

Mr. TAFT. Mr. President, I should like to call the Senator's attention to a report of the Senate Foreign Relations Committee, made some time ago, in which it was said:

Because the program is new and because it will take some time to set up the necessary administrative machinery as well as to secure the required technical competence, the committee recommends that the Senate limit its present authorization to a period of 5 years.

The Senator knows, does he not, that in the conference report the Senate yielded to the House? They struck out the 5-year limitation recommended by our own committee. So the program now is an indefinite program in contrast to the bill as passed by the Senate, and in contrast also to the emergency character of ECA.

A PERMANENT PROGRAM

Mr. MALONE. I would say to the distinguished Senator from Ohio we are now apparently starting to tell the American people the truth. The only thing about which they have not told the truth is that it is a permanent program, and was intended from the beginning to be a permanent program, as we should have realized when just before the ECA program was adopted we had given \$3,750,000,000 to England alone, and it was "gone with the wind." Before that we had UNRRA. Before that we had lend-lease, with everything written off. One thing leads to another. It is all one program—a dangerous and continuous pattern.

ANOTHER SIPHON INTO THE UNITED STATES TREASURY

We are not frank with the American people today in not informing them that the foot is in the door now, because of the general wording of this provision which the Senator from Ohio has so ably pointed out, and the door will be left wide open.

The only thing left for speculation is the amount of the appropriation demanded from time to time. We could now appropriate \$2,000,000,000 a year or \$10,000,000,000 a year, just as easily as we could appropriate any other sum. The amount is all that is lacking. That is where we are not telling the truth to the taxpayers of America. It is simply another siphon into the United States Treasury. It is unlimited as to time or area in which it can be expended. It is limited only by the appropriations which can be passed on the floor of the Senate and of the House.

IT ALL STARTED IN 1934

We are familiar now, I hope, with the method of selling this country ahead of time on anything. I call the attention of the distinguished Senator from Ohio to the fact that 10 or 15 years ago the propaganda from the State Department started selling to the country the idea that if private business did not maintain full employment, then the Government must. No one took issue with the premise. The idea was sold to the country. During that period we operated the 1934 Trade Agreements Act. It did what? It transferred to an industrially inexperienced State Department the right to choose what American industries should survive and what industries should be sacrificed on the altar of one economic world, through the simple expedient of allowing the Executive to lower tariffs out-of-hand, after perfunctory hearings, by as much as 75 percent.

VENTURE CAPITAL IS DEAD

Mr. President, by transferring the responsibility which the Constitution places upon Congress to an inexperienced Department of State, we then and there slackened up or almost totally extinguished venture capital because new money will not flow into an industry with the knife hanging over its head. In addition to that, the entire tax structure adds up to this: If venture capital is invested and money is made on it, then Uncle Sam takes most of it; if money is lost in connection with the investment, the loss must be borne by the investor.

The third thing is the Securities and Exchange Commission, which under its rules and regulations, can investigate anyone proposing to sell stock or shares in any company in the United States. The Commission can announce publicly that it is investigating someone offering stock for sale—for any reason suitable to the SEC. After that, regardless of the result of the investigation, no one can sell any stock in the venture. So those three things practically killed the flow of venture capital into the economic structure of the United States of America.

What happened? What was the next move? Recently we are being treated to another blanket of propaganda to the effect that we now have a million boys and girls coming out of the colleges—all of them wanting jobs—and we have 3,500,000 or 4,000,000 unemployed—actually the number is more than that. It is nearer 6,000,000, with a good 12,000,000 partially unemployed. So it suddenly is discovered that the economic structure of the country, because of these very obstructions which the Congress of the United States has put in the way of venture capital, has not kept step with the increase of population. What happens? Perhaps the public does not connect these three or four things in sequence, but quite recently the President came along with a proposal of a new RFC, Mr. President, under which we will abolish the one we have. We will abolish the present RFC and build a new one, which will loan many millions of dollars to private industry, with a limit of \$25,000 to any one business, on the theory that the use of Government money will take up the slack, through bringing up the economic structure to what is needed according to present population.

Mr. President, this was thought out in advance. A pattern—attack upon our economic system. It was no accident. I call attention to the fact that the Spence bill is still in committee in the House of Representatives.

What is the Spence bill? It will be resurrected the minute there is the breath of depression in this country, brought on by the very things passed by the Congress which I have just enumerated. When that happens, the Spence bill will be brought out. The amount of the authorization is \$15,000,000,000. We are supposed to be getting used to it by degrees. It is like rubbing the bit on the mustang's nose one day and the next day putting it in his mouth. After a while he becomes used to it, then he suddenly finds it in his mouth. The Spence bill sets a figure of \$15,000,000,000, with which the President of the United States can build anything from a steel mill to a corner cigar store, to bring about full employment.

Mr. President, I have diverted somewhat from the theme of my talk, but all of these measures make a pattern. It is impossible to discuss one of them intelligently without setting up the pattern. That is my point. The foreign-aid bill, point 4, clearly takes up where the ECA appropriations would leave off in 1952, and continues a program such as the distinguished Senator from Ohio so ably pointed out with no limitation as to where the money can be spent, and no limitation as to the amount that can be spent, except for the appropriations which later come to the United States Senate for approval provide, and which the Senate will no doubt approve after being properly propagandized by the State Department to soften us up and to get us ready for the blow.

EUROPEAN RECOVERY ACHIEVED

Mr. President, before I leave that subject, let me say that the distinguished Senator from Ohio brought out the fact that there was in the beginning a definite

limitation on the number of years the Marshall plan should operate, and it was for a definite purpose, namely, to bring about recovery in western European countries. I ask unanimous consent to have printed in the RECORD at this point a table showing the recovery status of the

16 Marshall-plan countries since the end of the war, 1946, 1947, 1948, 1949, and the latest monthly figure we have at this moment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ECA nations—Index numbers of industrial production—1937=100 (except where otherwise noted)—Annual, 1946, 1947, 1948, 1949, and latest monthly figure

	1946	1947	1948	1949	Latest monthly figure	Date
Austria.....	(1)	51	78	104	114	January 1950.
Belgium.....	74	86	93	49	93	Do.
Denmark.....	101	116	129	137	145	February 1950.
France.....	73	87	102	112	116	January 1950.
Germany bizone.....	234	40	60	89	1003	March 1950.
Greece.....	53	67	73	87	90	February 1950.
Ireland.....	109	113	130	135	152	Fourth quarter, 1949.
Italy.....	(1)	93	98	104	102	February 1950.
Luxembourg.....	(1)	89	(1)	113	101	Do.
Netherlands.....	75	95	114	127	126	Do.
Norway.....	100	115	125	132	155	Do.
Sweden.....	137	141	149	(1)	155	December 1949.
United Kingdom.....	90	98	109	116	128	February 1950.

¹ Not available.

² Base 1938=100.

³ Federal republic.

⁴ 3-quarter average.

Source: Statistical Bulletin of the United Nations, April 1950.

RATE OF RECOVERY NOT CHANGED BY ECA

Mr. MALONE. Mr. President, as I said before, the rate of recovery has not changed. It did not change with the advent of the Marshall plan. It was already coming up at the approximate rate of 10 percent a year, with the exception of Austria and Germany, which were being deliberately held down. They are continuing on a basis of recovery of approximately 10 percent annually. For example, in 1949 Denmark was 137 percent, and she is approximately 145 percent this year.

I should like to say that, on the basis of the 1937-38 industrial index, the 16 Marshall-plan countries have recovered approximately 125 percent. So that blows out of the water the theory that we were trying to rehabilitate industry, because it was practically rehabilitated on the 1938 index before we had a Marshall plan or ECA.

What are we trying to do? I think it is very plain from the wording of the point 4 title that it was intended to enter the ECA field, and now we have a foot in the door and are ready to go.

A PROPAGANDA-SOFTENED SENATE

There is no limit on the length of time for point 4 applications; there is no limit as to area that can be covered; and there is no limit to the amount of money except for the size of the appropriations that a softened-up Senate will approve.

Mr. BRIDGES. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be happy to yield to the Senator from New Hampshire.

Mr. BRIDGES. Has the Senator examined the conference report on ECA with particular relation to the point 4 program, and does he feel that the conference report opens it up wider, certainly, than did the bill as it left the Senate?

Mr. MALONE. In answer to the distinguished Senator from New Hampshire, it is the opinion of the junior Senator from Nevada that from now on it is

open-ended so far as the time element is concerned. It is limited this year only to the appropriation which has been authorized, and will be limited from now on to the amount of money the State Department can soften us up for and secure through its propaganda machine for next year, the year after that, and so on to the end.

Mr. BRIDGES. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Does the Senator from Nevada yield to the Senator from New Hampshire?

Mr. MALONE. I shall be very happy to yield to the Senator from New Hampshire.

Mr. BRIDGES. Besides the time limit, is the Senator concerned with other phases of it? Is it more vague and indefinite than it was when it left the Senate?

ACHESON PROMISES EUROPE THAT AMERICAN AID WILL NOT STOP

Mr. MALONE. In the opinion of the junior Senator from Nevada, it is much more indefinite, especially when correlated with the recent remarks of the Secretary of State, Mr. Acheson, when he said to Bevin and other foreign representatives on his recent trip to Europe—I shall not try to quote his exact language, but it was to the effect:

ECA is not the end. America will continue to help.

Mr. BRIDGES. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I shall be happy to yield.

Mr. BRIDGES. Does the Senator feel, then, that the point 4 program, as modified by the conference committee, is the vehicle which he anticipates will be used to continue foreign aid beyond the ECA period of expiration?

WE START WITH BRITAIN'S DEBT

Mr. MALONE. There is no doubt whatever about that. The point 4 is going forward. It is intended to take up

where ECA leaves off, and to increase as the ECA appropriations decrease. There is no question about that; at least, there is no question in the mind of the junior Senator from Nevada, what Secretary Acheson meant when he said that financial help for Europe will continue. They have put the whole pattern together from the beginning. I say again, as I said a while ago in the absence of the distinguished Senator from New Hampshire, that we started with lend-lease; the next step was UNRRA; then three and three-quarter billions of dollars were given to England; then the Marshall plan, ECA, point 4. We now have the suggestion by England, which the junior Senator from Nevada predicted early this year, that she would ask the United States of America to assume her sterling debt to her own countries, which amounts to from 9 to 12 billion dollars. It would mean that we are to begin with the sterling-bloc countries, such as India and certain other countries, and the amount of our help would be written off the sterling debt, but the residual debt would be maintained as a hold over those nations until it was completely liquidated, perhaps in several years, so that England would retain all the trade from those nations. A contractor friend of mine once said to me, early in my career, when I had lost some money in contracting, and borrowed money from a bank—"Don't ever owe a bank anything unless you owe so much you are boss." That is exactly the way in which England is handling trade with those nations.

THE STERLING DEBT AND THE UNITED STATES

In my conversation with Mr. Nehru, in New Delhi, late in 1948, he stated that seventy or eighty million pounds of credit was accumulated by India during the World War II. Great Britain does not cancel her debts in wartime, as we do; she holds on to them. Nehru said England was allowing India to trade out approximately seven or eight million pounds a year. That is what is being done at this time. Even if the English are not very efficient, and they want a higher price for the products sold to India, the Indians know that is the only way they can get their money back. So they keep trading with England.

Mr. BRIDGES. As the Senator knows, I have been a supporter of the ECA program in the past and I support it in the present, but I believe certain corrections should be made in ECA. I have supported various amendments to that effect. Some of which have been made in the past have worked out very much to our advantage. I remember one amendment last year with reference to the use of counterpart funds. There was objection to it, but representatives of the ECA have told me that one of the best things that happened was our action in writing in that amendment.

The question I want to ask the Senator is this: I am interested, with respect to whatever program we undertake, in having it definite and specific, so that we may know where we are going, and not have a wide-open program with no barriers, no security, as to its limitations, no time limit, and so on. That is what worries me particularly with reference to this conference report. The objec-

tions I raise to it are in line with the points which the Senator is making today.

Mr. MALONE. Perhaps they are entirely in line with the points which the junior Senator from Nevada is making today, but the junior Senator from Nevada intends to go considerably further and say that if we are going to give money to any foreign nation it should be conditioned on certain performances by that nation.

CONDITION FURTHER AID ON INTEGRITY OF MEN AND INVESTMENTS

When money is given to a country or an individual, the country or the individual is the one who should guarantee the integrity of the loan, business, or investment. For example, the junior Senator from Nevada introduced an amendment to the ECA bill which would have conditioned further aid to European countries on their guaranteeing the integrity of private investments. Another amendment would have loaned money to private business instead of giving it to the governments of socialistic countries to further their aims. Both amendments should have been adopted. No doubt the junior Senator from Nevada would have voted for the bill at any time since 1948 if such amendments had been included, including the free convertibility of their currencies in terms of the dollar. It has never been suggested to the junior Senator from Nevada before that the person or nation making the loan should guarantee the integrity of the investment. In other words, we have turned the principle entirely around, and it is almost too stupid to discuss. With point 4 we propose to guarantee private investments in a country, and we would guarantee the investment by whomever made against nationalization, socialization, or expropriation. We know it will be nationalized if we continue to give money to governments instead of private industries without restrictions. I agree entirely with the Senator from New Hampshire.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. CAIN. If the distinguished Senator from Nevada has not already done so, I wonder if he would state the basic differences between the point 4 program as approved by the Senate and the point 4 program as it was returned to the Senate through the conference.

Mr. MALONE. I am not sure that I can give too much detail as to the exact differences, except that there was a definite limitation as to time.

Mr. CAIN. That constitutes one of the prime differences between the two proposals.

FOOL THE TAXPAYERS

Mr. MALONE. Yes. Also, I think it is the greatest and the most important difference, because it has been evident from the beginning, even back in the days of the loan of \$3,750,000,000 to Great Britain, that each time it was a matter of approaching the United States taxpayers with a new dose which they could swallow at the moment. In other words, they would be given a bait which they could swallow without choking on

it. By the time they got the bait down there would come another lure for the trout under the log which the first bait did not get.

Mr. CAIN. What we were doing then appears to have been to say in substance that this was a new and complicated proposal, and because of our sympathy for other nations and our desire to help them we would approve the program for a limited period of time in order that we could reexamine our position 3 or 4 years later. The conference committee, on the other hand, decided, without this country actually knowing what it would be doing in the future, to create an open-ended funnel and endorse at the beginning the point 4 program almost to perpetuity. Is that substantially correct?

Mr. MALONE. That is absolutely correct. The Senator from Washington has sized it up very well. Probably the psychology of the country was judged by the State Department to be one of favoring continual help to Europe, or they misjudged it. While the bill was before the Senate the psychology of the Senate was cautious about continuous help. We wanted to limit the time, because we did not know what we were stepping into. However, in the House and in the conference committee it was probably felt that the public was ready to take this program of help in perpetuity in some form.

Mr. CAIN. Mr. President, will the Senator state the vote by which the point 4 program was approved in the Senate? My memory tells me that it was a very close vote. I believe it was 40 to 41.

Mr. MALONE. I think it was approved by one vote.

Mr. CAIN. With the Vice President casting the deciding vote to break a tie vote.

Mr. MALONE. Yes. The distinguished President of the Senate threw his weight in favor of the point 4 program.

Mr. CAIN. Will the Senator tell me whether or not it would be permissible for both Houses of Congress to agree to delete from the conference report the point 4 program, which is certain to have an extended controversy revolving about it, so that both Houses of Congress could approve the European recovery program to which, as I understand, the point 4 program is not closely related? As I understand, they are two entirely different subjects.

POINT 4 NO PART OF ECA PROGRAM

Mr. MALONE. Mr. President, I would say to the distinguished Senator from Washington that in the humble opinion of the junior Senator from Nevada it has no part in the ECA program at the moment. In other words, it is a separate subject which should be considered further by Congress to determine whether it would be help in perpetuity or help for a certain term of years beyond ECA. It is a separate question. It was a separate question when it was brought before the Senate, but we had been softened up for the blow. The point 4 amendment won by one vote. I am afraid that I cannot technically advise the distinguished Senator from Washington

whether the conferees had the authority in the first place to put this particular point 4 program provision in the bill, and whether the conferees have the authority now to take it out entirely, inasmuch as both Houses voted in favor of it in one form or another.

Mr. CAIN. I raised the question because it seems quite obvious that we may be devoting a long period of time to debate on the point 4 program. If the Senate of the United States should determine, as it quite possibly may, that it simply cannot approve the point 4 program as recommended by the conference committee, as an individual Senator I would hope that in some legitimate manner we could delete it for further study.

IT WILL GET WORSE—NOT BETTER

Mr. MALONE. I think the distinguished Senator from Washington has a very good idea, but in the humble opinion of the junior Senator from Nevada we have not seen anything yet. We started with lend-lease. We wrote that off. Then came UNRRA. We wrote that off. Then came the three and three-quarter billion dollar loan to Great Britain. It is as good as written off. Then we started with the Marshall plan and ECA. Now it is point 4. Soon we shall have thrown into our faces the matter of assisting through goods and money the sterling bloc countries in order to reduce the debt England owes these countries, so that Britain may preserve their trade in the areas while we pay their debt.

It seems to the junior Senator from Nevada, at least, that if we could write off sixty to seventy billion dollars in lend-lease, it might be possible for the sterling areas to write off nine or ten billion dollars. If the taxpayers can be softened up to take the blow, probably the Senate will vote for assuming the debt. I would say to the distinguished Senator from Washington that in a year from now there will be the greatest economic debacle in Europe anyone has ever seen, and even we will not be able to handle it.

Mr. CAIN. If there is to be an economic debacle, as the Senator from Nevada fears there will be in Europe, could we in this country possibly avoid the consequences of any serious economic breakdown in Europe? Would not a breakdown of that character necessarily bring suffering and economic trouble to us in this country?

Mr. MALONE. Mr. President, we could very easily avoid it if we started now, in the opinion of the junior Senator from Nevada. In other words, if we reversed the field we have been traveling for 18 years toward free trade through the objective of one economic world, and through putting into the hands of an inexperienced State Department the power to put its finger on any industry in the United States and saying that it shall not survive, and putting its finger on another industry and saying it shall survive, we can avoid sliding into a depression. So long as the State Department can do that, the answer is "No, we cannot save ourselves." However, if we substitute a flexible-import-fee principle based on fair and reasonable competition for the 1934 Trade Agree-

ments Act, as extended, and maintain our standard of living while we are helping other countries raise their own, it could be avoided.

DOLLAR GAP

We have heard much about the dollar gap. I had intended to discuss that later, but now is a good time to refer to it, since the distinguished Senator from Washington has brought up the subject.

Mr. President, there is no dollar gap except the one we created in the Congress through Government appropriations, to give the nations money with which to buy our goods above and beyond their ability to produce. We created the dollar gap through our own actions.

A table was put into the Record by the junior Senator from Nevada on the 13th of September, 1949, showing in one column the value of the exportable goods produced in the United States, in billions of dollars, over a period of about 40 years. The second column showed the value of the goods exported over those years. The third column showed the percentages, which ran very high at times, recently 8 to 10 to 11 percent. The fourth was a column, showing in billions of dollars, the goods we had exported.

In the fifth column was shown the number of dollars we had given the foreign countries by various loan and gift programs.

Then there was the last column which represented what I would call legitimate trade, trade that represents the extent that we buy things which we cannot conveniently make for ourselves, just as in the case of any other nation. This column showed the percentage of the value of exportable goods produced, actually exported and paid for with trade and other earnings.

The percentage was from 4½ to 5½ percent representing our foreign exports over a long period—not subsidized by us.

The other nations come to us and say, "You must divide your market with us or continue giving us money, we cannot drop back to the legitimate trade we have always had."

THE BASIS OF TRADE

I might define legitimate trade. I will say that no individual and no nation ever buys anything he or it can conveniently produce for himself or itself. I think that is safe ground. If a nation or an individual cannot produce a commodity conveniently for himself or itself, he buys the quality he wants at the lowest cost wherever he can find such goods. Nations will always have such legitimate trade.

There are some goods we must buy from other nations, which we would have to buy whether they bought from us or not, and which provide money for legitimate trade. The articles which other nations furnish us include tin, nickel, copper, and 40 or 50 other articles and goods we do not produce at all. We do not produce tin, and did not produce rubber until we got into synthetic production. Trade in those commodities is legitimate trade, and we must buy those articles wherever we can get them the

cheapest. At least we should do so, and that is legitimate trade. If some of the other nations produce, and are allowed to sell their goods in normal channels and through businessmen, with nations, the trade will balance. It is only when we start worrying and begin appropriating money to start a dollar gap that we get into trouble.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Washington.

Mr. CAIN. I hope the Senator will permit me to compliment him, in a very brief reference, because of something he has just said. The Senator from Nevada lives so closely with the subject he is discussing, he is so preoccupied with it, and concentrates so heavily upon it, that I think he is probably the only one among us in this body who could remember what he did on the 13th day of September 1949. The Senator from Nevada, in answering a question of mine a minute ago, actually referred to some of his actions taken on the 13th day of September 1949, and I thought that was remarkable and unusual.

The junior Senator from Washington is by no means an authority on the subject now under discussion, but he appreciates the opportunity to listen to the Senator from Nevada, who works so hard propounding reasonable questions and answers, and I am grateful for the observations he has made to me.

If the Senator does not mind, I should like to refer now to the Parliamentarian to see if he can give an answer to the question I recently propounded to the Senator from Nevada, for which he had no answer, as to whether it would be possible for both Houses of the Congress to admit, in a sense, that further study should be given to the point 4 program, and that it ought to be eliminated from the ECA conference report. I think if that could be accomplished, it would be a healthy thing for all parties concerned.

Mr. MALONE. I ask unanimous consent that the distinguished Senator from Washington may propound the question to the Parliamentarian, if I may have the permission without losing the floor.

The PRESIDING OFFICER. The Chair is informed that the Senate has to deal with the conference report in its entirety, not in part.

Mr. CAIN. That is to say, Mr. President, that the Senate must either approve or reject it in its entirety?

The PRESIDING OFFICER. The Senator has stated the parliamentary situation correctly.

Mr. CAIN. I thank the Chair.

Mr. MALONE. I was under that impression, but was not positive. I should like to say, since the distinguished Senator from Washington has complimented the junior Senator from Nevada, that the junior Senator from Nevada does not have all the answers. As a matter of fact, what he is trying to do is to find some reasonable approaches to the answers. The greatest harm that was ever done to a trusting people was in selling to the United States of America the positive untruth that there are definite answers to all economic questions. There are not. After visiting practically all

the Asiatic nations, talking to their leaders, seeing their people, all the way from India, to Singapore, to Africa, and after visiting most of the countries of Europe—as I cover my own State when I want to find out what is going on and how the people are living—I found that the people are living in such a manner in most of the countries I visited that it does not appear likely that there will be any positive economic answer to their problems within a reasonable time. Overpopulation is the difficulty.

OVERPOPULATION IS ONE FACTOR

Most informed persons agree that there are now probably in England more people by 20,000,000 than can ever make a living there again, unless they can reestablish their power over the Empire, over their sterling-bloc nations; and there are about 55 or 60 nations or entities in the sterling bloc. England could again support its people if it could again establish the power it had for many years, enforced by her navy, over the people in Singapore, the Malayan States, the people in Australia, the people in India, people throughout the world, including Africa. If the English could reestablish their power so that they could force these people all over the world to send their raw materials to England to be processed, and force them to buy the finished goods, and would not allow industrial plants to be established in those areas—if they could reestablish that power, with our help, if they could again make it possible to export processed goods, they could again support their people.

I should like to say further to the distinguished Senator from Washington because I know he is interested, that it is the opinion of the junior Senator from Nevada that with all our power we cannot bring that condition back. Nor is it desirable to do so.

Yesterday on the floor of the Senate, in the few minutes when I had the floor, I said that what we are doing is supporting England in driving the wages of the Malayan people down and securing an increased profit for rubber. This is exactly the way it is done. There is a 30-percent devaluation of the pound, lowering the wages of the Malaysians—and they were not getting anything to speak of to begin with. They were just on a bare subsistence level. But the English drove the wages down 30 percent. Then recently prices of the natural products there have gone on world markets from 17 or 18 cents to 20 cents. Who is getting the difference? The Malaysians are not getting it. We are not getting it. We are paying it. Brokers who do not even live there are taking the spread.

What is the effect? How are prices brought up? Russia is getting some of the rubber. When I was in Singapore I found that Russia was securing tin from Singapore. That tin was shipped direct from Singapore to Russia at a time when we were trying to contain Russia. So now Russia is bidding against the United States for the rubber, and while the price to the Malaysians is being held down, the brokers 3,000 miles away are getting the profits. The Malaysians are sullen, resentful, and will join anybody but us.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Nevada yield to the Senator from Washington?

Mr. MALONE. I yield.

Mr. CAIN. I hope the Senator from Nevada will permit me to make a brief observation. Perhaps the feeling I entertain is shared by others among my colleagues. One reason why the junior Senator from Washington has listened so thoughtfully to what the Senator from Nevada is saying on this subject, and to his answers, is that a very large number of the measures which have been offered to the Senate and which I as a Senator have supported during the three-odd years I have been a Member have not worked. Many of us in this body have supported a good many instruments proposed to be of assistance overseas in the hope they would work. We actually thought that many of them would work. In full knowledge of the fact, however, that conditions are not in some quarters materially improved after the vast amount of assistance we have rendered in recent years, anyone who is thoughtful about and concerned with the future is going to look for every opportunity he can get to listen to anyone else's ideas. Some of the questions I have raised to my friend from Nevada today have been largely for the purpose of encouraging him to talk in order that the RECORD will contain his views, which are of interest to a very large body of the American public.

INVESTMENTS MUST BE SECURE

Mr. MALONE. I will say in answer to the distinguished junior Senator from Washington that the junior Senator from Nevada is greatly appreciative of his remarks, but would by no means have any Senator think or any one of the great public think, that the junior Senator from Nevada believes he has the answers. He is trying to find some reasonable approaches. In other words, instead of saying that if there is an appreciable investment made in England tomorrow it is in danger of nationalization or confiscation, and that therefore the great benevolent Government of the United States must guarantee the integrity of that investment, the junior Senator from Nevada, after considerable thought on the subject, after seeing England and its set-up, and noting the trends, offered an amendment to be found on page 6568 of the CONGRESSIONAL RECORD of May 5, which would terminate assistance of any nature to any country until such country, by its own actions, has established a climate favorable to private investments and guaranteed that it would not confiscate the private investments made in that country by the nationals of this country, in the same manner as we guarantee the integrity of the investment of their nationals in our country.

Mr. President, why is it that capital is all running to this country? Every dollar that can be gotten out of England is coming to this country because it is safe in investments made here.

The distinguished Senator from Washington may remember that in the 4- or 5-hour debate, which took place on the 4th and 5th of March 1948 on this very subject, the junior Senator from Nevada pointed out the approximate sum the nationals of the 16 Marshall-plan countries had invested in this country at that moment. It was approximately \$14,000,000,000 that could be traced. That is almost as much as the junior Senator from Nevada said then they were asking for under the Marshall plan.

I now ask, and I think I asked at that time: What would have happened in America if we were asking for \$14,000,000,000 from England and the nationals of this country had \$14,000,000,000 invested in England? I ask the distinguished Senator from Washington what he thinks would have happened? The junior Senator from Nevada is clear in his mind as to the answer. The authorities in England would have said, "Use your own money first."

Then secondly, each of those countries had run much private money underground by reason of their nationalizing of investments, confiscating investments, socializing investments, thus creating the fear that once the money was invested it never could be gotten out. This amount of money probably exceeded the amounts appropriated under the Marshall plan. In other words, when an Englishman or a Frenchman could not get his money out in a legitimate manner, he buried it, and sometimes, I think, so deep that it is hard for him to find it.

The amendment which the junior Senator from Nevada submitted on May 5, and which was discussed at some length, was not questioned with respect to its advisability, but it was said it was not a part of the program; that it would ruin the plans then in progress. That was the substance of the debate.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. CAIN. Perhaps the Senator from Nevada can help me with this matter of concern to me. Every American is very conscious of the fact that the combined nations of western Europe have a far larger population than does the United States, while at the same time those nations have a far smaller national product. We began the ECA basically, I suppose, in our hope that it would help to contain communism. It has seemed to me for a long time that Europe has within itself the ability to immunize communism. That can be done, and done only, if that larger European population substantially and, in fact, gigantically increases its national product.

Now I should like to think that the Senator from Nevada can somehow relate my concern and the answer to it with other items he has in mind. All of us continue to be conscious that the trade barriers, at least we are so told, and obstacles to economic intercourse between nations in western Europe, are perhaps more stringent today than they were a hundred years ago, and unless we can somehow secure a larger productivity and a more fluent movement

of goods between those European countries I should think that whatever we in this country attempt to do, either through the ECA or point 4, will never and cannot ever lead to a final and positive solution of the economic trade problems of our friends across the seas.

EUROPE MUST INTEGRATE

Mr. MALONE. Mr. President, I am very happy that the distinguished Senator from Washington has brought that question to the fore. One thing that I will say to the distinguished Senator from Washington is that every nation in Europe contains the greatest nationalists in the world. National pride and national history and national hatreds have kept those peoples apart. They will not have anything to do with each other in the way of trade. They have quotas and embargoes, manipulation of money systems between themselves, so it is almost impossible for Italy to sell her oranges to the other nations of Europe, or for Germany to sell her steel anywhere within the nations of Europe. So they retain these hundred-year-old feuds, and build trade barriers higher and higher. Only by our help, by money which we are giving to their governments, if you please, to carry out their silly ideas of becoming self-sufficient, each one of the little states continue to function. Several of the states, I might say, could be lost in my State of Nevada, and unless a prospector just happened to run onto one of them accidentally it might be several years before the area was discovered. Still each one of them has a complete government, with a king or a dictator or an elected official at the head.

Mr. President, I have said on the Senate floor several times that I should like to have all the data with respect to what is paid to the rulers of those countries. The King of England receives \$1,500,000 a year for the great service he renders. The junior Senator from Nevada has no objection to that so long as the people of England pay him; but he got on our payroll.

THE UNITED STATES OF EUROPE

On the 5th of this month I submitted an amendment which would have required the nations of Europe to show their inclination or willingness to join with each other in a United States of Europe. The amendment would not have required them actually to join into such an organization or federation before we would give them the money, but would require them to show their willingness to do so. The amendment reads as follows:

TERMINATION OF ASSISTANCE

Sec. . . Section 118 of such act is amended by adding at the end thereof the following new sentence: "The Administrator shall terminate the provision of assistance under this title to any participating country (including the zones of occupation of Germany) if such country refuses to join, within 30 days after the date of enactment of the Economic Cooperation Act of 1950, in a concerted effort with the other participating countries (including the zones of occupation of Germany) to form a Federation of a United States of Europe, under a constitution which would vest in the federation all power relating to (1) tariffs, trade, and currency within and among such countries or states

and between such countries or states and countries which are not members of the federation; and (2) the defense of the federation.

That amendment would require a concerted effort on their part to form a United States of Europe. Anyone would realize it would take at least several months to form; but this is the only chance we have of having them form a United States of Europe or a federation of states—a federation such as the colonies which became the United States soon found was necessary if they were to survive. Each one of our States could not individually be self-sufficient. Such a requirement should be a condition for the giving of our help, because if we continue to give the individual governments of western Europe our money without attaching any conditions whatever, then we cannot expect that the problems of those countries will be solved. England, for example, wants to control all of Europe and wants to control the sterling bloc area, a tremendous area, through the manipulation of the money systems and through requiring different exchange rates for her money. She has 25 or 30 different exchange rates for her money, so that it is almost impossible to trade in a nation unless the Bank of England wants that particular trade to be made. All those things have to be done away with. The formation of a United States of Europe would constitute a concerted effort by all those nations to solve their problems.

CURRENCIES SHOULD BE FREELY CONVERTIBLE

I wish to refer to another amendment, in connection with the inquiry the distinguished Senator from Washington has made. On the same day, May 5, as may be found on page 6527 of the CONGRESSIONAL RECORD, I submitted an amendment providing that any further aid to Europe would be conditioned on the free convertibility of currencies of those nations with each other and with the dollar. We have heard about the dollar trouble and all the other troubles; but I wish to ask the distinguished Senator from Washington this question: Those nations have dollar trouble when they are short of money. What kind of trouble would we have here if we tried to borrow money from England, for instance? Would it be pound trouble, or would it still be dollar trouble?

Mr. CAIN. Mr. President, will the Senator permit me to ask a further question?

Mr. MALONE. I should like to have the Senator from Washington answer the question I have just asked—namely, whether he thinks it would still be dollar gap, if we were trying to borrow money from some of the European countries. In other words, because they have overpriced their currencies, no one will pay in dollars the amounts which they say their currencies are worth, and therefore, they have dollar trouble or a dollar shortage.

Mr. CAIN. I will give the Senator the only rational answer which I can give on the spur of the moment, namely, that despite the fact that I have supported the ECA every time it has been before the Senate since I have been a Member of the Senate, I have recognized, and I

have been very distressed by the fact, that the United States of America is and has been on a one-way street. What we have done for others, others are not willing or have not been willing to do for us.

In my opinion, if the barriers throughout western Europe are broken down, so that economic intercourse can be reasonably established, there will be no conceivable need for a continuation in any shape or fashion what we call the European recovery program, as it is advanced by the use of our American tax dollars.

Mr. MALONE. I say to the distinguished Senator from Washington that conceivably there could be a need for it from their point of view; but if there were a United States of Europe, so that everyone of them was producing for the entire area what it could best produce—just as here in the United States each State produces what it is best able to produce—for instance, the State of Washington can produce some things better than the State of Nevada can, so we in Nevada simply do not produce those things, and vice versa—if there were a United States of Europe, then they could reach the maximum of their strength, industrially, economically, and agriculturally—in every way.

However, I point out to the Senator that no nation of Europe can continually purchase more than she produces, any more than an individual can, unless she can find an "uncle" like Uncle Sam.

We will find that we have no "uncle," one of these days.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. McCARTHY. In connection with the point 4 program, I wonder whether the Senator from Nevada is aware of the fact that the head of the technical staff doing the planning is a man by the name of Haldore Hanson, and that as early as 1947, Fred Busbey on the floor of the House of Representatives pointed out in detail the close communistic connections of Haldore Hanson—a brilliant young fellow; there is no doubt of that. I understand that he is a very good salesman and a very likable chap. Of course, his brilliance is what makes him dangerous.

Is the Senator aware that Hanson is now in charge of the technical staff doing the planning for point 4; that at the beginning of the Japanese-Chinese war, he was coeditor of a small Communist paper in Peiping, China—which was a matter of only some 15 years ago—that since that time he has spent a great deal of time with the Communist armies in China, and that he wrote a book entitled "Humane Endeavor," a very well written document, which sets forth very clearly his attitude toward the nations in which a Communist revolution is pending or in which one has been successful. He speaks of Mao Tse-tung with complete and sincere adoration; there is no question of that. He is not a paid traitor. He is not the type of young man who would sell out his country for 30 pieces of silver. He is apparently sincere in his belief in communism. He is firmly convinced that communism is the answer for the

ills of what we call the poverty-stricken peoples of the world.

For instance, on page 13 of his book, *Humane Endeavor*, he points out that it will be necessary to have British and American capital sent to the Communist forces of China in order to help them properly to reconstruct that area.

Is the Senator also aware of the fact that the Senate investigating committee, if I can call it that—the subcommittee of the Foreign Relations Committee—called before it Mr. Budenz, a man who testified for 10 days in the trial of the 11 top Communists, a man whose testimony was almost solely responsible for the conviction of those 11 top Communists, a man who has been used by the Department of Justice and other branches of our Government perhaps more than any other man has been used in connection with those cases; a man whose truthfulness and veracity they have vouched for time and time again; and a man who was forced to come before the committee by subpoena—he did not offer to come voluntarily—and was asked about certain Government officials, as to some of whom he asked to be permitted to have an opportunity to prepare further documentation, which he said he would prepare and would produce when he returned several weeks later?

Is the Senator aware that he was asked about Haldore Hanson, about whom Mr. Budenz was in a position to know, having been editor of the *Daily Worker*, and, accordingly, in touch with the top men of the Communist outfit? He had to know who the top men in the Communist organization were, so that he would know how to treat them.

Is the Senator aware that he testified that he and Jack Stachel, who was head of the party, had conferences daily, as well as the conferences he had with the other top Communists, and that they repeatedly discussed the names of the other top Communists, and that officially he had to know who the top Communists were.

Is the Senator also aware of the fact that Haldore Hanson—who, as I say, was running a Communist paper in Peiping, China, some 15 years ago, and today is the head of the technical staff on planning for point 4, and that Budenz testified that Hanson is one of the men who is considered to be among the top Communists in the country—so much so that Budenz said he carried Hanson's name around with him. Is the Senator aware of that fact?

Mr. MALONE. Mr. President, I am not aware of all the details the Senator from Wisconsin has enumerated. But I take it for granted the Senator has studied the subject.

Mr. McCARTHY. Very thoroughly.

Mr. MALONE. I want to congratulate him on the work he is doing. I think the only trap into which the distinguished Senator from Wisconsin got himself was in allowing the committee to tell the country that, unless the distinguished Senator from Wisconsin made the case, there was no case. I stood here and heard the distinguished Senator from Wisconsin make the case before the full

Senate body. The Senate voted unanimously to have the investigation made, and gave money to the committee for the purpose of making it. The Senate did not give the money to the distinguished Senator from Wisconsin. Therefore, the committee has the obligation of making the investigation. I want to compliment the Senator on the contribution he is making. I think the people of the Nation should understand that it is up to the committee to make this investigation. Speaking only for one Member in this body, if the committee comes in with anything less than a full investigation as voted by this body, one Senator will take the floor and have his say about it.

Mr. McCARTHY. Mr. President, if I may interrupt again, I might say in that connection that when the evidence was produced on Haldore Hanson, the staff of the point 4 committee—and there are four men there, drawing around \$10,000 a year each; I believe there are four, anyway, according to the best information I can get—normally one would think that where one of the Government's top witnesses has testified that a man is a member of the party, where we have this background of Communist connection, the least the committee would do would be to say, "Now, we will assign one of our staff to the job of checking on this and finding out something about this man." I wonder whether the Senator is aware of the fact that not a finger has been raised, nothing has been done, except of course the all-out attempt to discredit the witness, Budenz, who is coming back.

I may also say to the Senator, in connection with the Senator's statement as to my allowing the committee to take certain action, that I am sure the Senator realizes I have no power whatever over that committee.

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Wisconsin, I want to say, as I have said before, that this entire situation is all one pattern. The discussion of it cannot be confined to point 4 without bringing up the 1934 Trade Agreements Act, which laid the groundwork for the division of the market of America with the nations of the world. It is impossible to discuss point 4 without discussing the other methods and the pattern of this problem. Right along that line, this country itself is laying the groundwork, through its bureaus and through the great leeway it has given to the departments of the Government for the interpretation of laws passed by the Congress, for a one-man government, whether it be socialism, communism, or fascism. It could turn either way. At the moment we really have a Socialist government. We are dividing it up with everyone. But as between a Socialist government and a Communist government, there is no difference in their aims. The final goal is merely state ownership, with the individual, owning nothing, under government control. The only difference is that a Communist will shoot you to bring it about, while a Socialist will try to spend you into it. And that is about what we are trying to do now. So I

would merely say that a Communist, giving a short answer, is merely an impatient Socialist.

INJURY TO INDUSTRY AND THE CURE

Mr. President, I wanted to mention the short statement made by the distinguished senior Senator from New York [Mr. Ives] relative to the glove industry, which is a part of the whole free-trade pattern of ECA and the 1934 Trade Agreements Act and the International Trade Organization, which is on the must list of legislation to be passed at this session of the Congress. They are all one, they are all woven together, as testified by Mr. Thorp, the Assistant Secretary of State. The senior Senator from New York has submitted a protest on behalf of the glove or leather industry. I may say that representatives of the glove industry visited my office 3 or 4 days ago, representing about 350 factories and many thousands of employees in this country. Their industry is going to be cut materially by the Torquay negotiations, looking ahead to the agreements which may be made in England, which will bring about even a worse condition than that which exists at this time.

I also want to say that only a few days ago a strike occurred among the New England hatters, who refused to work on hats imported from Czechoslovakia, on account of the action of the State Department in connection with the Ancey agreements.

POINT 4 PROGRAM

Mr. President, in yesterday's debate on title 4 of the conference report in the Foreign Economic Assistance Act of 1950, there was a great deal of talk about the fact that there were no guaranties that the point 4 program, which is to be implemented by this title, would not be extended to countries friendly to Russia or even to Russian satellites or Russia herself. If this title becomes law, it is entirely conceivable that the Congress would be propagandized into making appropriations to extend technical assistance to Russia or her satellites, directly, instead of by the indirect method now being used, through help of the ECA given to the 15 Marshall plan countries. Then, Mr. President, the manufactured and processed articles will be shipped directly to Russia and the eastern European nations, and also to Communist China through England's help, now, through the recognition of Communist China, and through Hong Kong. So what are we doing? We are contributing and laying the groundwork further to implement the so-called underdeveloped areas, many of them behind the iron curtain, and it would contribute to the building up of communism, as the 96 trade treaties made by the 15 Marshall plan countries are now doing, instead of trying to contain Russia.

Without making it entirely clear that any aid under this title for technical assistance will be extended only to countries whose economic development is necessary and feasible to the security of the United States we would be leaving ourselves open to the same kind of charge that I have made frequently on

the Senate floor, and that I here make again, that we are actively assisting and increasing the war potential of our most dangerous adversary, so pronounced by the State Department and the Secretary of National Defense.

Mr. President, not only should such a safeguard be written into title IV, if we are to adopt it in this ECA program, but I also want to state that this title does not properly belong in the scope of the Foreign Economic Assistance Act, but should be considered as a separate problem entirely. Without adequate debate on the accomplishments which are to be promoted by this program, we are practically authorizing, first, the basis for a continuation after 1952 of a foreign-aid program, to take the place of the ECA. Second, we are leaving ourselves open to the danger of the increased war-making potential of Russia and her satellites.

Title IV of this act, the point 4 program, will make it possible that countries which are regarded today as underdeveloped will increase their industrial capacity and their technical know-how to a point at which they will either insist on increasing trade with Russia or will become ever more valuable areas to be brought under the influence of Soviet Russia. Without any further safeguards I firmly believe that the technical assistance part of this title is dangerous to the security of the United States.

THE PROBLEM OF GERMANY

Mr. President, I want to point out what is going on in Europe at this moment. The refusal to join in a United States of Europe or a Federation of States, makes Germany a problem. In addition to the 96 trade treaties which have been made with our potential enemies, the nations which the program was intended to contain, Germany has been made a perpetual problem by the refusal to have any association with Germany in the European nations. If we continue to carry out, as up to a few short months ago we were doing, the Morgenthau program of making an agrarian state out of Germany and tearing down her industries, at the same time piling money in there which Russia is siphoning out at the other side, in the long run we shall be paying their reparations to Russia. If we hold Germany down and do not allow her to expand her industries to the point where she could buy the other 40 or 50 percent of food and raw materials she has always had to import, then we must continue to spend a billion dollars a year to feed and protect Germany. It now looks as if we are putting another siphon into the United States Treasury which can be turned on at full force at any time through an appropriation by this body. But when we have to end it, which we eventually shall, what will a frustrated Germany do? It will join any nation. Russia is offering at this moment to buy her processed and manufactured goods, trading raw materials for them, and offering her a chance to sell her processed and manufactured goods to Communist China.

Of course, Russia is a "natural" in trade with Europe, because she is a raw-material-producing nation, as is the case with some other European nations, while

other nations are processing and manufacturing nations. So the great raw-material-producing areas are "naturals" with which to trade. We must recognize the problem, and, instead of making it worse by financing it, we should stop trading with nations which are helping the Communist areas, helping to arm Russia for world war III, and to consolidate her gains in Europe and eastern China. After Germany is built up, and there is no United States of Europe, and there is an opportunity to sell to Russia and Communist China, whom would Germany join? A frustrated Germany would join anyone, which could well be Russia. We are unable to dodge the problem of Germany so long as we treat her like we are doing now, placing no conditions on the money we send to Germany and to Europe for so-called rehabilitation.

The vague language in title 4 that refers to the favorable climate, as the distinguished Senator from Texas so aptly put it, for the promotion of American investments abroad, is merely the entering wedge for a program that ultimately will spell the guaranties by the United States Government for American investment abroad. Even if such guaranties are not spelled out in title 4, the basis is laid for the Executive later on to come to Congress and say that bilateral agreements, as foreseen by this title, are difficult to obtain but that guaranties had been promised American business and the only way to keep that promise would be for our Government to undertake to furnish those guaranties.

I frankly do not know what conceivable reason there should be and could be for our Government to guarantee the investments of American capital abroad. It is properly the function of the governments in whose territory those investments are made to guarantee them and to insure the investor of the chance to take a reasonable profit in dollars and to assure the investor that his investments will not be lost through socialism or nationalization. An amendment to that effect was proposed by me to the Economic Assistance Act, and that, in my opinion, is the only fair way to deal with this subject; fair to the American taxpayers, fair to the American investor, and fair to the country benefiting by such investment.

In other words, according to that amendment, further assistance to ECA would simply have been conditioned on their preparing such a climate favorable to private investment and guaranteeing their integrity against communism, socialization, and nationalization.

Any other scheme will only further, even if indirectly, the loss of private enterprise abroad and the continuation of nationalization programs.

The vague language of this title in regard to promoting investments and the manifest dangers of technical assistance within the framework of the Economic Assistance Act and without necessary safeguards for the security of the United States will set a most dangerous precedent. In passing, it may be wise to mention that the title 4 does not contain any provision that technical as-

sistance will be forthcoming from the United States only within the limits of our security and defense laws. I believe that is one additional shortcoming of this title to which I am strongly opposed, because any assistance to any country in the world can be justified only on the basis that it contributes to our security and to our own well-being.

Mr. President, comparing the language of point 4 with what Mr. Acheson has said on his recent trip to Europe, makes it entirely clear that the exact intention is to enlarge the appropriations for the point 4 program to take the place of ECA when it runs out or the appropriations under the act are decreased by an awakening Congress.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. Long in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I shall be happy to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the able Senator from Nevada if he finds in the conference report any limitation regarding with whom the President may make the proposed agreements in respect of technical cooperation?

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Missouri, I will say that apparently there is no limitation regarding with whom he may deal, and there is no limit as to the time. That is to say, it may go on for several years. It is only a question, as I have said before, of the tremendous propaganda machine of the State Department softening up the taxpayers of America through threats or in some other manner getting them ready to favor appropriations of billions of dollars.

Mr. KEM. Is there not a limitation of 3 years as to contracts, as provided in section 405? The contracts which the President is authorized to make may not exceed 3 years.

Mr. MALONE. Any one contract.

Mr. KEM. Yes.

Mr. MALONE. There is no limitation as to the time for which he may make a contract under point 4.

Mr. KEM. Is there any limitation as to a person, corporation, body of persons, government, or foreign governmental agency with whom he may make a contract?

Mr. MALONE. I could find none. In other words, it is wide open. It is like the loan of \$125,000,000 to Argentina to pay off commercial debts in New York. They borrow the money of the taxpayers of the United States in order to pay their debts. I see no limitation on the nationality, area, or time as to which contracts could be made.

Mr. KEM. I should like to ask the Senator from Nevada whether there is not a distinction as between the two classes of agreements or contracts which could be made by the executive branch of our Government with foreign nations. Treaties may be made only by and with the consent of the Senate, but Executive agreements require confirmation by a majority of the two Houses of Congress.

TREATIES BY EXECUTIVE AGREEMENT

Mr. MALONE. Mr. President, I would say to the distinguished Senator from Missouri that some very clever maneuverings have been going on for the past 15 years. In other words, two-thirds of the number of Senators on the floor of the Senate would not approve treaties such as have been coming before us in the form of agreements. Apparently they are legal and constitutional. They come to us as Executive agreements, when actually they should come to us as treaties.

Mr. KEM. Does the Senator from Nevada regard the proposed agreements which are authorized under section 405 (e) of the conference report as treaties, Executive agreements, or something else?

Mr. MALONE. I will say to the distinguished Senator from Missouri that they will be agreements which would not require two-thirds of the membership of the Senate to approve.

Mr. KEM. Does the Senator understand that Congress would ever see these agreements again after they are executed by the President?

Mr. MALONE. I had reference more to general arrangements, such as the North Atlantic Pact. No, it is not the opinion of the junior Senator from Nevada that the agreements would ever come back to us. This is a blanket authorization.

Mr. KEM. Is it in accord with the Constitution and the traditional practice of our Government to give the President of the United States a blank check to make agreements with foreign nations?

Mr. MALONE. In answer to that question I would say that we were always under the impression that it was not. However, many things have been done in the past 15 years, among them the transfer by the Congress of the United States to the President of its constitutional responsibility to regulate foreign trade through the regulation of imports. The junior Senator from Nevada would say that it looks as though Congress had amended the Constitution of the United States without submitting the amendment to the States. However, constitutional lawyers seem to think that it will stand up, because there is an escape clause. In effect, it is no escape clause at all. However, there are enough conditions surrounding it which make them pronounce it constitutional. It has never been tried out.

Mr. KEM. Does the Senator from Nevada find any escape clause in the conference report?

Mr. MALONE. No; I find no escape clause. I think it is a blanket authorization for the Chief Executive to make contracts up to the amount of money that may be appropriated. As Secretary of State Acheson has stated, we will not stop help to foreign countries after 1952. They have exactly that in mind. In the meantime the State Department soften up the taxpayer through their tremendous propaganda machine, so that the Senate will be ready to appropriate any amount of money which the Administration says it needs for its particular purposes when the time for making appropriations arrives.

Mr. KEM. If the Senate approves this conference report and it becomes law, and the President of the United States, pursuant to section 405 (e), makes a contract with a foreign government, and Congress does not like the contract, is there anything that Congress can do about it?

Mr. MALONE. I should think there would be nothing that could be done about it except to repeal or modify the law. Of course, anything made up to that time would have the sanction of the United States Government. The Congress could prevent anything like that from that time on.

Mr. KEM. Does the Senator from Nevada believe that the contract which the President may make pursuant to this section will be beyond any further action by the Congress?

Mr. MALONE. Certainly I believe it will be legal. Of course, it could be broken by a sovereign nation, but it certainly would not show good faith to do so.

Mr. KEM. Is that in accord with our settled practice in regard to treaties and international obligations?

Mr. MALONE. No; to the limit of the experience of the junior Senator from Nevada, we are about the only nation in the world which has kept its agreements and treaties when it was expedient not to keep them.

Mr. KEM. Does the Senator know of any other republican government which would authorize its executive department to make an agreement of that kind without any further intervention on the part of the elected representatives of the people?

Mr. MALONE. No. It would be a dangerous precedent for this country. Our Government is about the only real republican form of government left in the world. Most other governments which claim to be Socialist, Communist, or Republican, are almost completely ruled by a dictator or president and his advisers, and by an immediate vote in Parliament.

Mr. KEM. I should like to ask the Senator from Nevada another question. I have been told that recently large advances have been made by the Government of the United States through some governmental agency to businessmen in South America for the purpose of liquidating indebtedness owed by the South American businessmen to business interests in the United States. Does the Senator from Nevada know anything about transactions of that character which have been recently consummated?

THE ARGENTINE LOAN

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Missouri, apparently the Senate is informed only by newspaper dispatches. I might refer to a newspaper dispatch dated May 2, appearing in the New York Times. The headlines says that Argentina is to get a credit offer of \$125,000,000. Other dispatches confirmed the fact that they had received a \$125,000,000 loan. It is made very plain in the matter of the negotiations leading up to the loan that the loan would be used to liquidate certain commercial debts which had been contracted in the United States of

America. As a matter of fact, it is said in a Washington Bureau dispatch published in the Journal of Commerce on May 13, 1950:

A loan of \$125,000,000 was made to Argentina today by the Export-Import Bank for the purpose of paying up past due Argentine commercial debts.

It is in line with the point 4 proposal of guaranteeing the payment of obligations. We did not have the point 4 program to guarantee the debt to the American seller. Therefore they could borrow money from the Export-Import Bank and pay the debt and start all over again. Does that answer the question of the distinguished Senator from Missouri?

Mr. KEM. It does. May I ask whether the money involved belongs to the American taxpayers? Is the capital of the Export-Import Bank put up entirely by the people of the United States?

Mr. MALONE. Yes, Mr. President, I believe that the people of the United States and the Congress have forgotten the fact that Congress does not have any money, and the only way it can contract to pay any money to anyone through an appropriation is to first take it from the taxpayers.

THE TIRED TAXPAYER

In the city of Washington we find little sentiment for the taxpayers of the Nation. As a matter of fact, I might say that in my humble opinion Washington, D. C., is about the most dangerous city in the United States to the United States. In other words, there is no community spirit. Ninety-eight percent of the inhabitants are living off the Government in some form. They are working directly for it, as the Senator and I are at the moment, or are selling something to people on the payroll. Then there are 60 or 65 embassies and consulates, and most of the money to support them comes out of the Treasury of the United States. They have a peculiar singleness of purpose to determine how many materials they can sell in this country from their low-wage nations in competition with American workingmen and American investments, and how much they can borrow—spelled g-i-f-t—from our Government, and that money comes directly out of the pockets of the taxpayers of the United States. I might say that in my judgment—and I have been in several States in the last few weeks—the people are getting a little tired of that.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. There are so many of these give-away programs in operation, can the Senator from Nevada tell us which of the give-away programs this conference report fits into?

THE DIPS INTO THE TREASURY

Mr. MALONE. I should like to go into the matter of siphons out of the United States Treasury, as long as the Senator has mentioned it. I had intended to do so later. There are several.

First, of course, is the direct appropriations for gift loans by the Congress of the United States under the Marshall

Plan, now the ECA. This of course skips the UNRRA, the actions, now history, which we have previously taken. It also skips the \$3,750,000,000 given to England directly. It also skips the financing of several other trick organizations, all of which were going to stop all wars and economic dislocations dead in their tracks.

Mr. KEM. For instance, there is Bretton Woods, the brain creature of Harry Dexter White.

Mr. MALONE. Yes; Bretton Woods was going to cure everything. That was one I neglected to mention, apparently.

Second, financing gift loans through the Export-Import Bank. The loan just mentioned is a good example, putting up money to pay debts, and bringing it up to an even keel until we can pass an authorization for point 4, and authorize the money, so that it can be secured, so as to guarantee the sellers of goods in foreign countries in advance, through point 4, instead of their borrowing the money after the debt is incurred.

Third, financing gift loans through the World Bank.

Mr. President, I now quote from my statement on the floor of the Senate on March 1, 1950, as found on page 2597 of the RECORD:

In passing, I might say that this is going on continuously, in addition to the sums which have been appropriated by the Congress. Once in a while they call on us to appropriate more money, mostly, however, for permission to sell stock to citizens of the United States or to anyone else who will buy. I predict, Mr. President, that within 5 years there will be a bill brought to the Senate floor to make up to the holders of the stock of the World Bank the money invested in that bank through stocks sold and authorized by the Congress of the United States. It has authorized the officials of the bank to give money away in gift loans. No one is naive enough to believe that any considerable percentage of the money will ever be repaid. The citizens of this country have purchased the stock in good faith, as they would purchase the stock of any other bank, thinking the cashier would look over the loans. But we do it for another purpose, and these so-called loans are gifts in most cases. So there will be a bill introduced to reimburse the stockholders, and the Senate of the United States will vote for it. That is my prediction.

Fourth. The division of American markets among foreign nations through the administration's three-part, free-trade program, starting with the 1934 Trade-Agreements Act, as extended. It is now suggested that the ECA Director and the Secretary of State place the resulting unemployed persons on the relief rolls and pay them through a direct subsidy.

Fifth. The International Trade Organization, 53 nations with 58 votes, to which we would virtually transfer the right to fix our import fees and tariffs, and to fix quotas of production, including agriculture, minerals, wood and wood products, fuels, and manufactured and processed products for each of these other nations. That is a fine organization, I would say, with 57 foreign votes against us.

Mr. President, the sixth siphon out of the United States Treasury is point 4. As the debate has shown conclusively, in my opinion, that it is just another dip into the United States Treasury to take the place of the ECA as we go along the gift route.

I read further from my remarks of March 1, 1950:

Sixth. Point 4, the President's "bold new program," with more billions of dollars in an attempt to guarantee the integrity of the colonial system for the empire-minded nations.

In other words, the debate has shown that this money is supposed to be invested in the backward areas. I showed yesterday on the Senate floor, and I reviewed the statement this afternoon, that in one instance, and it is not the only instance, we furnished money to England to control the Malayan States. Then they, through devaluation of their money, lower the Malaysians' wages through a raise in the price of rubber by our bidding against Russia for rubber. Russia has rubber stock-piled and we have our stockpile, so we should be in good shape, so far as rubber is concerned, when the third world war starts. The great dollar gap we created ourselves is being felt, but in the meantime the Malaysians are sullen, resentful, and ready to join anyone who will promise them relief from the yoke.

I quote further from my former statement:

Billions of dollars would be loaned in but not to the colonial nations. In other words, the money would be loaned for the development of nations for the benefit of the empire-minded nations, and not for the benefit of the colonial nations themselves.

Mr. ECTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Montana?

Mr. MALONE. I yield.

Mr. ECTON. I should like to ask the able Senator from Nevada if he understands section 416 in the conference report to be a limitation on the point 4 program. For instance, under subdivision (b) the report reads:

Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether for funds, commodities, or services, to any country or countries, or to any international organization.

Mr. MALONE. Mr. President, I do not consider it a limitation, either on the time that such a commitment could be made by the President, or by whom it could be made. All it says is that this is not a specific commitment. In other words, the President may turn down any application for technical aid which he did not think suitable or did not care to grant. In other words, there is no specific guarantee, if we pass this particular bill, that a company in Montana could go ahead and make a commitment in England, fall into the nationalization program, and come back for redress to the President of the United States. The President of the United States could say, "There was no commitment."

Mr. ECTON. There would be no commitment, but it opens an avenue for any and all possible undertakings which this new set-up might wish to inaugurate. Is not that true?

Mr. MALONE. It is just as wide open as a barn door. Whatever they want to guarantee they can guarantee within the limits of the appropriation at the

moment, whatever it is, in any area, and at any time.

Mr. ECTON. Does the able Senator from Nevada feel that under the terms and definitions of the bill any limitation is placed upon what can be attempted? Does it contain any limitation in any field into which we might undertake to go?

Mr. MALONE. I would say to the distinguished Senator from Montana that in the humble opinion of the junior Senator from Nevada there is no limitation except the limit to the amount of money currently being made available by the Congress of the United States for expenditure under point 4. In other words, the foot is already in the door. The principle has been established. Businessmen have been given the implied promise that they can go ahead, and that their investment will be guaranteed. No attempt has been made by spokesmen of the State Department to deny specifically or to cover up the fact that this point 4 program is to take the place of ECA after 1952.

Mr. ECTON. It is further stated in section 416:

The President may allocate to any United States Government agency any part of any appropriation available for carrying out the purposes of this title.

In other words, is it not true that the President could designate to receive any part of the appropriation available, one or all the Federal agencies in the economic and technical cooperation program provided for under the bill?

THE ENTERING WEDGE

Mr. MALONE. I think the President is given very wide latitude in setting up the organization and in committing the United States of America to engage in carrying out work in any area at any time from now on, for which money has been appropriated by the Congress of the United States. As I previously said, immediately after we pass this legislation, if we do so, propaganda will begin for the purpose of softening up the taxpayers. Little squibs will appear, such as that which has been circulated in the last 15 years which attempted to sell us on the theory that if private industry does not furnish full employment, that the Government must, or selling us on the theory that the economic structure has not kept pace with the increase in population, though no mention is made of the fact that through the 1934 Trade Agreements Act virtually free trade has been established, and that venture capital has been discouraged. No mention is made of the fact that the tax structure is such as to discourage the investment of venture capital. No mention is made of the fact that the Securities and Exchange Commission discourages investment of venture capital. So we stop encouragement of venture capital on the floor. Then comes the President and he asks for the passage of measures which will enable him to make up the difference between the capacity of the economic structure to employ and those who are unemployed.

Thus we have a step-by-step program. The proposal now before us is just one step in the program. It began with lend-

lease; then came UNRRA, then came the British loan, then came the Marshall plan, then the ECA, then point 4, and all the rest. Then various banks have been set up for various purposes.

When a proposal for setting up an organization comes before us, we are told that if we pass the measure everything will be all right. Then the millennium will arrive. Then everything will be salvaged. But I say to the distinguished Senator that immediately we approve the conference report, subtle propaganda will begin, and by the time the \$40,000,000, or whatever the amount is, has been used up, the taxpayer will be softened up by the suggestion, "We do not want war. If the proposal is adopted, it will prevent war." So telegrams will come to Congress and propaganda will pour into the Senate and the House, and the Congress will pass measures providing for the millions needed to guarantee the great investments for world development.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. ECTON. Is the Senator familiar with the definition of a United States Government agency, as found in subsection (b) of section 418 as meaning "any department, agency, board, wholly or partly owned corporation or instrumentality, commission, or independent establishment of the United States Government"? How all-inclusive is that definition of Government agencies under paragraph (b) of section 418—"or independent establishment of the United States Government"?

Mr. MALONE. I might say in answer to the distinguished Senator from Montana that if he would read paragraph (c), it would complete the picture. Does the Senator mind reading that paragraph?

Mr. ECTON. Yes, I shall be happy to do so. I read subsection (c) of section 418:

The term "international organization" means any intergovernmental organization of which the United States is a member.

Does not the Senator believe that to be an extremely exaggerated definition of what could be done or might be done by all arms of the Government? Does not the Senator believe that these provisions when taken together will result in a further centralization of power in the executive department?

Mr. MALONE. Mr. President, I wanted the distinguished Senator to read that last paragraph because it would seem to the junior Senator from Nevada to be all-inclusive. In other words, it would include the North Atlantic Pact, of which we are a member, it would include the United Nations, of which we are also a member. In other words, through point 4, we could finance any activity the United Nations might undertake.

THE UN AND STATE LAW

I may mention further to the distinguished Senator another matter. It will be remembered that just recently a court decision in California changed the entire complexion of the citizenship act of California. In that State there were certain restrictions on certain Orientals respecting ownership of land. The court

ruled that on account of this country's membership in the United Nations, in the Charter of which no such restrictions were set down—I am not quoting the language of the decision, but the thought and trend of the decision was that it was impossible to retain such a restriction in California. The court decision nullified all those restrictions, and declared a State law unconstitutional.

In nearly all the measures with which I have been familiar since coming to the Senate in January 1946—and I have held two or three or more such measures in my own committee of my own volition for several months—there have been "sleepers." In addition to doing the things that are uppermost in the minds of Members of Congress when they pass the law or consider it, there is always some place in the measure a sleeper which authorizes and gives power to do something Congress did not have in mind.

By passing this measure we may pass on a sleeper or more than one sleeper in the whole measure that would give to the Executive, through point 4, the right to finance without limit, except for the amount of money, as I previously have said, currently made available, which could be billions of dollars. I believe the wraps will be off if we agree to the two paragraphs the distinguished Senator has just read.

Mr. ECTON. Does not the Senator believe that there have always been and can be found in the 16 Marshall-plan countries just about as good technological brains as there are anywhere else in the world?

Mr. MALONE. Some of the finest engineers in the world are in France. Some of the finest engineers in the world are in Germany. Some of the finest engineers and technicians in the world are to be found in each of the Marshall-plan countries. There is no dearth of engineering or technical talent.

Mr. ECTON. Who is asking that we supply this technological assistance? Have the governments of the various countries of Europe made any request of us, to the knowledge of the distinguished Senator from Nevada?

STATE DEPARTMENT EXPANSION

Mr. MALONE. None has been mentioned in the testimony. It is our own idea mostly. But let me point out to the distinguished Senator from Montana that perhaps he is not entirely familiar with the procedure in some of these foreign countries. It may be that the distinguished Senator from Montana does not know that in each of our embassies or nearly all of them—practically all that I visited in my trip through Asia and the European countries—there is a representative of the Department of Commerce and a representative of the Department of Agriculture; and now pressure is being applied to also have in each of our embassies a representative of the National Defense Establishment.

In other words, the State Department is, or is attempting to be, a completely rounded out entity in the various foreign countries in which we have embassies. Under such circumstances, the State Department will decide what is to be done in those countries under

our aid programs. The State Department chooses the representatives from the Department of Commerce, and will choose the representatives from the National Defense Establishment if such representatives are sent to our embassies—and the pressure is hot and heavy to have that done; and the State Department chooses the representatives from the other agencies of our Government who are assigned to our various embassies abroad. So the money is needed by the State Department to enable it to enlarge its programs in those countries—for instance, to show the people of those countries how to farm. The State Department believes that in order to show the people of such countries how to farm, it should send them tractors—for instance, tractors to Turkey and to Siam. As a matter of fact, according to my observation—and in 30 years of engineering I have had some experience with technological development—what the people of Siam need, as I observed them when I was in that country are scythes.

In Siam I saw farmers standing knee deep in water, using a hook to cut grain, holding the grain with one hand and cutting it with the hook held in their other hand. What they needed was a scythe, not a tractor, so that in 1 day one farmer could cut enough grain for four or five families, instead of just enough grain for two families. However, the State Department, with its grandiose ideas, wishes to send American tractors to countries which do not have the fuel required to run them. Nevertheless, the State Department believes it can get from Congress money with which to buy tractors from American manufacturers and send the tractors abroad under their program. Of course, there is a slight suspicion, which was voiced in conversations in the corridors and in the committees, that the real purpose of the program is somewhat different from the purpose generally stated. In other words, we were told that either we would pass the bill authorizing the appropriation of \$3,300,000,000, with which such purchases of American equipment would be made, or there would be an almost immediate depression, as a result of unemployment in this country. So, Mr. President, for the first time those who advocate this program state plainly what they meant in the first place.

Mr. ECTON. Mr. President, there is another question which I should like to ask the able Senator from Nevada. I know he has been in the countries of Europe on several trips, both before and since he became a Member of the Senate. Is it not true that when outside money goes into any of those countries, such money, because of their monetary systems, is frozen? In other words, if United States money goes into one of those foreign countries as an investment, if the firm investing the money ever gets its money out of that country again, it will do so only with the consent of the government concerned. Is that true?

Mr. MALONE. Mr. President, it is difficult to make a blanket statement, because the economies of the countries change so rapidly, due to the changes in

their governments. However, in general, in the case of the principal nations, such as Britain, that is absolutely true.

Mr. ECTON. That is the point to which I was coming, namely, that the governments of those countries may change overnight.

Mr. MALONE. That is true.

Mr. ECTON. Today they might be wholly cooperative, but tomorrow they might not be.

Mr. MALONE. Yes.

FROZEN INVESTMENTS

Let us consider Britain, for example, because Britain has perhaps the most stable government of any of the European nations. The British policy of nationalization and socialization of industry and capital is such, and the British freezing of capital is such, that if an American invests, let us say, a number of thousands of dollars in a plant in Britain, that American citizen is unable to get his money out of Britain if he changes his mind and sells the plant; or if he makes money on his investment, there is only a very limited amount of money which he can take out of Britain. He will even be drastically limited in regard to the amount of interest on the money which he can take out of Britain.

Therefore, Americans who form companies and sell stock to stockholders cannot gamble the money of the stockholders by investing it in such countries.

In that connection, I should like to refer to the amendment which I offered to the ECA bill, when it was before us. My amendment would have imposed, as a condition applying to the granting of further ECA money to foreign countries, that they guarantee the integrity of the investments of our nationals in their countries, just as we guarantee the integrity of the investment of their nationals in our country. That would be a prerequisite to the granting of further ECA aid by us.

Of course, if we believe what we say to the taxpayers of the United States, we should provide that the ECA money would be loaned to individual, private industries, through the World Bank, under rules and regulations similar to those used by the RFC in loaning money to GI's in Nevada or New Jersey. In other words, instead of loaning or giving the money to foreign governments, we should loan the money to citizens of those foreign countries on terms no less stringent than those applying to loans of money made to citizens of the United States of America.

However, as the situation now stands, we are loaning money to Fascist or Communist governments—and of course there is no difference between such governments, so far as their foundations are concerned—and we are permitting them to do what they please with that money in the way of financing the erratic maneuverings of their governments, while we say that we are loaning or giving them the money in order to rehabilitate their industries. However, what we do defeats our objective.

Mr. ECTON. Then, does the Senator agree with me that practically the only way by which United States investments in a foreign country could be guaranteed

would be for the United States Treasury to underwrite all the losses sustained?

Mr. MALONE. Of course I say to the distinguished Senator that is exactly the idea of point 4. In other words, under point 4, as proposed, we would not have the government to which the money is loaned safeguard American investments in that country. Oh, no; it would be too terrific a burden upon that country to have the one receiving the benefit of the money guaranty the integrity of the investment. On the contrary, we not only furnish the money for the investment, we not only provide that money out of our capital, private or otherwise, but then we guarantee the integrity of the investment.

Mr. ECTON. If that be the correct interpretation of point 4—and up to this time I have seen no other logical interpretation of it—I simply do not believe that the United States taxpayers are going to put their O. K. on it 100 percent.

What does the Senator from Nevada think about it?

Mr. MALONE. I would say that if the United States taxpayers had any inkling of the fantastic things we in the Senate are voting for and the real meaning of them, they would move upon Washington, and I think we would be going into hiding, to get away from the taxpayers, because when they send us here, they must think that we would not become entirely unbalanced. When the proposition put before the Congress is so fantastic and so stupid, so erratic that it is impossible to think that a body which is called the greatest deliberative body in the world would have entertained such an idea, then in my opinion the taxpayers of the United States at least have not come to the point of believing that we would do such a thing. They think we must have some way of finally getting their money back—even though we pick up the check of \$7,000,000,000 a year and sell the taxpayers more bonds, so that we may collect \$45,000,000,000 more from them, and then sell them \$7,000,000,000 more bonds to pick up the check for the unreasonable, stupid programs for which we vote on the floor of the Senate.

Mr. McCARTHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Nevada yield to the Senator from Wisconsin?

Mr. MALONE. I am happy to yield to the Senator from Wisconsin.

Mr. McCARTHY. I wonder whether the Senator would object to my asking him a question on a subject which is not at all apropos of the matter he is now discussing. I may say the reason for my doing so is that I am leaving the city, and I think there is a matter which should receive the attention of the Senate, and which should not pass without some comment. So, if the Senator does not mind, I should like to ask him a question that is not at all concerned with the subject he is discussing. Is that agreeable?

Mr. MALONE. I shall be very happy to have the distinguished Senator ask any question. I am always happy to be associated with him.

Mr. McCARTHY. The Senator, I assume, is aware of the fact that at the present time the grand jury in New York is taking evidence in the case of one William Remington, one of the top Federal employees, a man who has been in the Government service for a long period of time, and that apparently the only issue is whether this man is a member of the Communist Party. If the grand jury decides that he is, then it is bound to return an indictment for perjury; if the grand jury decides "no," the case will be dismissed.

I wish to refer to a statement attributed to the Attorney General, last night. I may say the only report I can find is in the "Washington Daily Worker," commonly known as the Washington Post. [Laughter.] So it is entirely possible that the Attorney General has been misquoted. I sincerely hope he was, and if so, I hope he will repudiate this statement. The Attorney General makes the statement which I quote from "Washington's Daily Worker," the Washington Post. Referring to Communists, he says:

We know of none in the employ of the Government today.

If this is a correct quotation, it means that the Attorney General is publicly notifying the grand jurors in New York that they need go no further, that this man is not a Communist, and, if this is what the Attorney General believes, it is in effect a notification to the grand jury that if they indict, there will be no prosecution.

As I say, I did not want to interrupt the Senator's speech, but I am leaving the city, and I wanted to comment on this before leaving. I should certainly welcome any comment the Senator might care to make on it.

COMMUNISM AND SECURITY

Mr. MALONE. Mr. President, advertising to the subject which of course we know is uppermost in the mind of the distinguished Senator from Wisconsin, it is the humble opinion of the junior Senator from the State of Nevada that we are making a great error sometimes in making every accusation dependent on whether a man is a Communist. If anyone wanted to be really dangerous to the country, he would not become a card-carrying Communist, in the opinion of the junior Senator from Nevada; he would be too smart for that. The dangers to this country come from several sources. There are people who are dangerous security risks who are not Communists, who would not join a subversive organization, but who may have become thoroughly convinced in their own minds that our theory of government is wrong, and that it should be changed. In my opinion, people of that kind are bad security risks, and, while entitled to their opinion, we are not warranted in putting them on the Government payroll, at high salaries, to fix the policy of this country. A man could peddle a vast amount of information to a foreign country without carrying a card. Perhaps a grand jury is technically tied up to this investigation so they can only do it one way, but if the Attorney General is earnest in wanting to safeguard

the country, then the people who are dangerous security risks should be investigated along with the card-carrying Communists or any other kind of subversive employee. I trust that answers the distinguished Senator from Wisconsin.

The junior Senator from Nevada offered a resolution not so long ago regarding a certain individual in the Department of Commerce. This is not the time to comment on what was said then, and in the evidence, because it is before a committee, before which the junior Senator from Nevada has appeared. It is my belief that the resolution will be reported to the Senate floor, and, I hope, will be agreed to and an investigation made. I did not say that this man was a Communist. I said he was a dangerous security risk; and he is, in the humble opinion of the junior Senator from Nevada. So that is another matter. I have gone about it quietly and with practically no publicity, because I do not want to interfere, for one thing, with the general investigation which has already been started. But I think this man is dangerous. I think when they get to him they will find a hill of dangerous risks, just as a man when digging potatoes keeps on digging until he finds 5 or 6 more. I think this thing can finally be straightened out, but it cannot be done if those in the Government service allow their minds to become set against a proper investigation. That is the reason I said earlier in the day, in answer to the Senator, that when he made his case before 95 other Senators and they all voted in favor of his resolution, they instructed a certain committee to do the job. They did not instruct the junior Senator from Wisconsin to make the investigation. It is a fine thing that he shows a spirit of cooperation with the committee; but he was under no obligation to go ahead and make the investigation. The \$50,000 went to the committee.

Now, Mr. President, to continue, Secretary of State Acheson perhaps has some reason for the worried look on his face and perhaps there is some reason for the worried look on the faces of some of the believers in the State Department who get their foot in the door on this bold, new point 4 program. Secretary Acheson, on his recent trip to Europe, according to press dispatches and particularly dispatches in the Wall Street Journal of May 19, said:

The United States has no intention—

He assured the Europeans and others beforehand—
of dropping American finance support after 1952.

Mr. President, that could only mean one thing: He was going to find some way to carry on this assistance program. Only one way that has been suggested, and that is the point 4 program, which was suggested by the President in his message to the Congress last year.

THE CHANGING PATTERN OF ECA

The reason given for the Marshall plan of 1947, when it was first mentioned, and in March 1948, when it first passed the Senate, was that American money was

needed for the rehabilitation of the European economy, which had been destroyed by the war—in other words, the rehabilitation of European industry—that the European nations were not producing, and that the only way to make Europe solvent was to give the European nations the necessary aid so that they could produce goods again for the people of their own world.

Certainly there was no intention, and none was expressed in the debates of March 1948 on this floor, that they were going to produce for us, because we already produce in this country more goods of almost every kind than we can use. We at least have the plants in which to produce them.

In 1949, just 1 year after the passage of the first Marshall plan bill, it was suddenly discovered that Europe was producing too much and had a surplus, so that our State Department and the ECA Director suddenly realized that their big problem was that of marketing.

So we suddenly changed the reason for spending the American taxpayers' money in Europe from one of production to rehabilitating industrial plants. It was suddenly discovered that they were away beyond the rehabilitation needed to bring them up to the production of 1937 and 1938. The Administrator and the Secretary of State suddenly discovered that production was not the problem, as we all know it is not the problem in any industry. Whenever there is a need for a product which can be manufactured efficiently, the machinery and the credit are always available. When technicians and engineers, familiar with the business, after a study of the raw materials the shipping facilities, and so forth, pronounce it to be a feasible industry, the money is available from private banks to finance the industry.

But what is the problem in the United States as well as in England? It is a problem in Detroit, in Reno, Nev., in Paris, and everywhere in the world. It is the problem of marketing and of competition.

So they suddenly find they need a market, and in 1949 it was necessary to continue the expenditure on account of the dollar shortage until the administration could divide our markets with European nations and other nations of the world, so that theoretically there would no longer be any trade balance deficit. We brought about this dollar gap, which is the expenditure of money by any nation beyond its production and earning capacity. Where did they get the money? They got it from the Marshall plan in 1948 and created a dollar gap which the nations would be unable to create for themselves, unless it were done as it was in Argentina, where they spent \$125,000,000 in the United States and then got the money from the Import-Export Bank to pay the debt. That was sort of a delayed action. Someone had enough influence to go to the bank and get the money to pay this bad debt.

Where is Europe going to get the markets? The ECA Director and Mr. Acheson suddenly recognized that we had plenty of markets in the United States

of America, so we must continue to develop our markets on this free-trade basis. What shall we do with our unemployed workers? Someone asked that question. They were also asked what we were to do about the investments ruined on account of imports. They thought only a minute, and came right back with the answer. What was the answer? Why they would have tutors to teach the unemployed workers new jobs.

Mr. President, consider for a moment an instrument maker or a glassworker. The junior Senator from Nevada used to work in a glass factory. It takes anywhere from a couple of years to 4 or 5 years to become expert in the blowing and cutting of glass and the molding of it. These workers are perhaps 40, 45, or 50 years old, and they have been in the business since they were boys. They do not know any other trade. But we will throw them out of work by the importation of glass.

In talking with representatives of the glass industry, representing a dozen factories in Ohio and other eastern areas, along with their labor representative, I was told that they are getting out of work. I informed them that the debate on the Senate floor showed that they did not necessarily need to become unemployed simply because the tariff was being reduced and glass was coming in from Belgium and other nations where labor receives 20 percent less than the wages received by American workers. I told them that all that was necessary was for the investors and the workers to get together and agree to write the investment down and lower wages to a point at which they could produce glass at the same price at which it is produced abroad.

They did not show any great enthusiasm for that. They thought we should take away from the State Department the constitutional authority of the Congress which has been transferred to the Executive, and establish a commission, such as a Foreign Trade Authority, that might spend its time determining what the differential of cost amounted to, due to the difference in wage and living standards. They are a long distance from Washington, and they do not understand all the intricate thinking we go through here, but they thought it would be a very simple arrangement to look forward to a system which would protect the standard of living in this country while we are helping other nations. It seems that is an unpopular view at the moment, but, in the humble opinion of the junior Senator from Nevada, it is going to become more popular.

Mr. President, I say that the first reason given for the Marshall plan in March of 1948 is erroneous, namely, that we must develop and rehabilitate industries, or else the reason given in 1949 is erroneous, that they are overproducing and must find markets. One can take either side of that argument, but it is hard to be on both sides. I have not noticed anyone trying to be on both sides at once, but they change horses so rapidly that it is often difficult to determine just which horse they are riding at the moment.

THE THREAT OF DEPRESSION—THE BATTLE CRY

Mr. President, suddenly in 1950, while the ECA extension was pending in the Senate, word was whispered around the corridors, and quietly, to congressional leaders, that if we did not appropriate \$3,300,000,000 to give to European nations to buy our goods, there would be a bad depression in this country.

Mr. President, sometimes things click. Sometimes they fall in sequence in one's mind after a while. In October or November 1947, when the junior Senator from Nevada was in Germany, in the Ruhr, examining coal mines and steel mills, because he was very young as a Member of the Senate and still believed that we should rehabilitate industry in Europe, he came out of a coal mine, having crawled an eighth of a mile on his stomach to get up to a new face to see a new coal-cutter working. I thought they should put in more coal cutters, as we do in metal mines, but I was informed by the shifter, who was lying there in 2 inches of water, that he would like to put in more, but it happened that the only factory in Germany which made them was on the reparation list, so it was impossible.

We wanted to produce more coal in the Ruhr, so we put the English in charge of the coal mines there when they were unable to mine enough coal in their own country to keep themselves warm.

We went to dinner, and Mr. Collins, who was in direct charge of the mine, had considerable discussion with me. It happens to be my business to know something about rehabilitating industry. We were on common ground. He understood it, and so did I. Right in the middle of the argument he stopped stock still and started to grin. He said, "You know you are going to give us this money to hold up your own economy."

Mr. President, it took us 3 years to make the circle and come around to what Collins knew already.

I wanted to point that out in passing, because to me it was very interesting.

Mr. President, I have already inserted in the RECORD a table which shows from 1946 the rate of recovery from the close of World War II almost to the present time. It shows that those nations had a rate of recovery of approximately 10 percent through 1946, 1947, and 1948, and that rate of recovery did not materially change. It continued. We poured the money in, but that made very little difference. In the spring of 1950 we found that while in 1948, when the Marshall plan was adopted, they were within 5 percent of having a hundred percent recovery, some of them were a little over 100 percent. Now they average about 125 percent recovered. It is about 125 percent in terms of industrial recovery. The table is there for all to see. It is a very interesting table. I had hoped that someone would question the table if they still thought we had to rehabilitate industry.

BARTER WITH RUSSIA IS NOT CONTAINMENT

Mr. President, the Members of the Senate are familiar with the bizarre barter deal under which United States cotton was sent to Red China. Many

other things fit into this crazy pattern. Despite the declared policy of the United States against assisting any Red-dominated countries, the trade was made in Manchuria between cotton and soybeans. Under this deal 40,000 bales of American cotton went to the Soviets in Manchuria, in exchange for 60,000 tons of soybeans, which were delivered to Japan. Cotton is a potential war material, while soybeans are, for the most part, soybeans. This deal was made in the face of the fact that the Department of Commerce, with the State Department backing it, had imposed a ban on March 9 against shipping cotton to the Soviets. Cotton is an important strategic war material.

It is ironically suitable to the occasion that this deal should be handled by the World Commerce Corp., of 25 Broad Street, New York City. That corporation was set up in 1945 for the avowed purpose of bolstering non-Soviet nations, and had on its list of backers such men as Major General Donovan, who certainly would not consent to have it perverted in this connection if he knew it, Ed Stettinius, who has since died, and Joe Grew, a man with whom we are all acquainted. The particular deal was approved by the State Department under Public Law 85. This was in the face of the Commerce Department's turning the deal down. They prohibited shipments of cotton as a strategic material into this area. The State Department reversed itself after it had been criticized. That means that information had leaked out that the deal had been made. So the State Department reversed itself after it was too late to stop the deal and it had already been consummated, and the cotton was on the way to Manchuria. Mr. President, this is another example of our containing Russia. The great ECA appropriations under Marshall plan are supposed to contain Russia. That is an example of how we contain Russia. We contain it by giving it everything it needs to fight world war III with us and to consolidate its gains.

Mr. President, there is much reliable information which states Russia and her Communist satellites have been receiving strategic American materials and other vital goods in quantity through shipments made largely via Hong Kong, and payments reportedly made through its dollar balances in New York banks. According to an article in the financial section of the New York World-Telegram, more than 150,000 bales of cotton alone have gone to China via Hong Kong in the last year.

Mr. President, I submit for the RECORD a dispatch appearing in the Washington Times-Herald of May 23, 1950, which describes the cotton deal with Red China. The headline says:

Cotton Deal With Red China Called "Foul-Smelling Mess."

It is a dispatch by the United Press, and the opening paragraph reads:

Representative CRAWFORD, Republican, of Michigan, yesterday attacked as a "foul-smelling mess" the Commodity Credit Corporation's deal to swap with Chinese Communists American cotton for Manchurian soybeans.

Representative CRAWFORD attacked the deal as being against the best interests of the United States. It is against the top policy which was outlined on the Senate floor in debates from the beginning of 1948 that nothing would be done with the money we were appropriating except to contain Russia.

I submit for the RECORD this dispatch by the United Press.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

COTTON DEAL WITH RED CHINA CALLED "FOUL-SMELLING MESS"

Representative CRAWFORD, Republican, of Michigan, yesterday attacked as a "foul-smelling mess" the Commodity Credit Corporation's deal to swap with Chinese Communists American cotton for Manchurian soybeans.

The Agriculture Department announced on May 11 the CCC's plan to make the trade. CRAWFORD said \$7,603,000 worth of American cotton would be swapped for \$4,000 worth of soybeans.

The Agriculture Department said the deal would be made through the World Commerce Corp., a New York export-import firm. CRAWFORD said available figures indicate the firm will make more than \$2,700,000 on the swap. The soybeans are to be used by the United States Armed Forces in Japan.

CRAWFORD asserted that he intends to make formal recommendations to Congress for an investigation and corrective action.

CRAWFORD cited Agriculture Department figures to show that the United States had 119,663,000 bushels of soybeans on hand when the deal was announced on May 11 and that the Commodity Credit Corporation had more than 1,000,000 bushels in its own stocks. The CCC stocks, he said, would have been enough to fill more than half the Armed Force's needs.

CRAWFORD said the World Commerce Corp. is headed by Frank T. Ryan, New York cotton dealer and broker, and that its directors include Maj. Gen. William J. Donovan, wartime head of the Office of Strategic Services, and Joseph G. Grew, former United States Ambassador to Japan.

Mr. MALONE. Mr. President, this is a system of double dealing.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to the Senator from Montana.

Mr. ECTON. That kind of a deal was made with Russia at a time when we are engaged in a cold war with her. How many bales of cotton did the Senator say?

Mr. MALONE. One hundred fifty thousand bales of cotton have been sent over there altogether, but this deal involved 40,000 bales.

Mr. ECTON. Is not that about comparable to sending scrap iron to Japan before we got into World War II?

Mr. MALONE. I am glad the distinguished Senator from Montana has brought that up. It seems that the taxpayers of the country have a very short memory, or perhaps they are just busy, as they always have been when I was out among them, and are so tired at night that they can hardly expend the energy and time to read about what we are doing. The junior Senator from Nevada, while making an industrial report on 11 western States prior to World War II, had a branch office at 111 Commerce Street in San Francisco. From his of-

vice he could see through the Golden Gate and could see ships loaded with scrap iron and petroleum going to Japan. Every servicemen's organization in America hollered to high heaven about it. No one paid any attention. We were sending raw materials to Japan and getting Japan ready for World War II with the United States of America. All of us knew it, or at least those of us who had been in the First World War knew it. This time we have considerably improved on the method. Instead of sending raw petroleum and raw scrap iron, we are sending materials to the most highly developed processors in the world. We are sending them machinery and money. It is being sent to the 16 Marshall plan countries so that they can process and manufacture the goods which Russia needs to fight world war III with us, and to consolidate its position in Europe and China. We save Russia the trouble of going through the process of manufacturing. Neither do they need to pay us for it. We give the money and the material to the 16 Marshall plan countries and they give Russia the processed materials. We are improving all the time. Perhaps by world war IV we will be delivering it to them ourselves.

Mr. ECTON. I wonder whether the able Senator from Nevada can enlighten me. Is it not possible for the Russians to use this cotton to manufacture gunpowder and explosives, in addition to using it for clothing?

Mr. MALONE. No doubt that is true. No doubt they are using a certain amount of it for the manufacture of war materials. Of course we are furnishing them all the material needed for consolidating their gains in Communist China. The distinguished Senator from Montana will remember when we discovered the agrarian Communists in North China and started to protect the agrarian Communists from the Nationalist Chinese. Now it seems that a great change has come over the agrarian Communists. Now that they are in control of China no one is able at a considerable distance to tell the difference between them and regular Communists.

So now England has recognized Communist China. Prime Minister Nehru, of India, has recognized Communist China, and there is trade as usual through China to Russia, trade as usual through the satellite nations with eastern Europe and with Russia. So it seems, with our great containment program, that about all that is necessary now is for the taxpayers to wake up and try to understand that that is a regular, legitimate thing, arming Russia.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Montana.

Mr. ECTON. Awhile ago the Senator from Nevada mentioned the fact that all this was designed to bolster up our economy. If that is true—and I know that many people in this country feel that to be true—are we not postponing the fatal day when we will find ourselves in much worse circumstances by continuing and constantly expanding the program, than if we cut it down gradually

with a view of terminating it as originally planned in 1952?

Mr. MALONE. No one except our naive new Senators had any idea of cutting it down in 1952. Those in charge are only beginning to let us in on the truth of the program. The reason why the junior Senator from Nevada suspected it before was that he was informed of what was going on by Mr. Collins, in his residence, which is quite a residence, too; one can hardly throw a baseball from one end of it to the other. Collins was the first one who broke the news to the junior Senator from Nevada. But he was not the only one. I got similar information in nearly every nation I visited. I was alone on my trip; I traveled as an engineer, not as a Senator, and I may say I paid my own expenses. I have heard that referred to by different people at different times. But I did not want to owe anybody anything. I picked up that information in many places, and apparently everyone knew it in the foreign countries. But the Senate of the United States did not know it, or if there was anyone here who had the story, it was held very close-mouthed. I repeated it on the Senate floor in 1948.

We are very open-hearted. Anything we have we will give away. So we were told we must rehabilitate industries, that we must feed hungry people, that we must stop communism. I believe the Senator from Montana will remember that. Is not that about correct?

Mr. ECTON. That is correct.

Mr. MALONE. Does the junior Senator from Montana remember that the junior Senator from Nevada suggested that it was impossible to talk about feeding hungry people, rehabilitating industry, and stopping communism, all in one breath? All we did was to get ourselves all balled up, and become an easy prey to the greatest propaganda machine ever developed, developed by the State Department in Washington, D. C.

Therefore, to make any sense out of the facts, let us separate the activities. The junior Senator from Nevada said, when he addressed the Senate on a previous occasion, let us feed emergency hungry people wherever we find them, to the extent of our ability, without injuring our economy, and let us not embarrass anybody by asking for the money back. But we should not try to feed all the hungry people in the world, because many of them have been hungry 5,000 years, using up the food supply and dying off. Out of the 2,750,000,000 people, perhaps two-thirds of them are never well fed. So let us not try to feed all, but only those whom the State Department, together with the Defense Secretary, may decide to be in an emergency condition, and we should name the nations whose security is important to the safety of this country. Then we should lend money in such an area through the World Bank, again to the extent our economy would stand it, without danger, on the basis on which the RFC lends money to industry in distress.

RESURRECT THE MONROE DOCTRINE

Then, to stop communism, they established the Monroe Doctrine to cover the nations whose integrity is important to us.

What is the Monroe Doctrine? Roughly, it is merely to say, as Monroe did in 1823, that in any particular area important to us, no nation, and we should name the nations, shall seek to extend its jurisdiction, that any attempt to extend their system of government in such an area will be considered an overt act by the United States and we should turn and walk away from them and come home and get ready to build a national-defense organization spearheaded by an Air Corps that will be silent evidence that we can enforce our statements. The only chance we will ever have of keeping the peace will be by keeping strong ourselves.

We agree that is what is going to be done. But we turned the situation entirely around last year, stating that we could divide our markets with the people of the world, because they could purchase more than they used themselves, and we must close the dollar gap by making appropriations under the ECA and sending money to them.

How are we going to cure the dollar question—by dividing our own markets so as to close the dollar gap we created by the money assessed from the taxpayers from the very market we are now going to divide? That is a round robin.

Now we hear that three and a third billion dollars must be appropriated, or we will have to meet a depression. We finally got back to Mr. Collins after 4 years. He will be happy. I think I will write him a letter and let him know that he was right in the first place.

This system of double dealing based on the old sage admonishment of "Let not thy right hand know what the left hand doeth," apparently goes forward all the time, turning our declared national policy against the Soviets into a sardonic joke.

Exactly the same kind of deals are being made in Europe.

Britain has a billion dollar barter deal with Poland alone, and that deal has been made in the last several months.

In Germany, we are financing the Steel Trusts who are in turn shipping increasing quantities of steel products to the east, from where they are siphoned into the Russian-Soviet economy itself. The Russians don't do anything quite as foolish as this. They are milking their part of Germany dry.

What the Russians are doing, Mr. President, is milking their part of Germany dry. While we are putting money into Germany, the Russians are taking out billions of dollars in the way of reparations, in just the same manner as the French, the British, and other nations in Europe demanded reparations from Germany, while we ourselves are supporting Germany.

The Russians are dangling in front of Western Germany the prospect of a vast market for German-manufactured articles. Where would this market be? We ourselves cannot supply the market for Germany, because we produce the same articles Germany produces. So we

cannot continue to make our markets available to all the countries of Europe.

Mr. President, by the 1934 Trade Agreements Act we transferred the responsibility to the executive, which in this case means the State Department. They are not only willing to, but are anxious to divide the markets of the United States with Britain and with all the Marshall-plan nations to do away with the so-called dollar gap. If we do that with Germany also, then all of Europe, including Germany, could produce everything we could consume.

Mr. President, I wish to ask a question at this point. After many of our people become unemployed, as the glass workers are now becoming unemployed, as the leather workers are becoming unemployed, as the glove workers are becoming unemployed, as the miners are becoming unemployed, as the crockery workers are becoming unemployed, as the workers on precision instruments, and the workers in other industries are becoming unemployed, what are they going to use for money to buy the materials produced in Europe? Our earning power will be gone. Our markets represent our earning power. So what we are doing, through our taxing power, is in effect to support and finance German production, with the Russians likely to be the final beneficiaries.

WE CANNOT ADEQUATELY ARM EUROPE

Mr. President, no part of all this makes sense. It does not make any more sense than our attempt to organize and maintain the military defense in Europe.

At this point I want to quote, as I did last year when the North Atlantic Pact was under consideration by this body, what Gen. Pierre Bilotte said. He was Lead of the French delegation to the UN Military Staff Committee. I want to quote exactly what he said about the matter of arming Europe. I quote from an article written by William B. Ziff, published in the American Mercury magazine of April 1949, as it appears on page 497:

Gen. Pierre Bilotte * * * has stated that for real resistance Europe would require 100 mobile divisions equipped with modern armor and weapons, together with an air force at least equal to Russian power. The means of allied transport would have to be doubled to coordinate their forces, and a powerful war industry would have to be erected to guarantee maintenance and operation. "Reduced to finance terms," he states, "no less than a \$100,000,000,000 investment spread over several decades is indicated." If Europe is also to produce atomic and other mass-destruction weapons, this would necessitate additional tens of billions of dollars.

Mr. President, we are just about as sensible when we come to arming Europe for defense against Russia as we are in our economic affairs in containing Russia. I would say we are approaching it in just about the same way and about the same sense is being used in the whole set-up.

Mr. President, there is a very grave question as to just what the European nations would do in the event of a third world war. The ruling party in both France and England have indicated in their regular official meetings, as press dispatches have said, that they are go-

ing to be neutral in any conflict. I want to note again, Mr. President, that on March 4 and 5, 1948, I stood on the Senate floor quoting Mr. Wilson and Mr. Bevin of England. Mr. Wilson, who is head of the board of trade, said that they wanted to be neutral; that they wanted to trade with Russia. They said they wanted to be the bridgehead—the exact word used—they wanted to be the bridgehead between Soviet Russia and capitalist America.

Mr. President, we apparently do not believe what we hear because we said we are going to continue to finance them so we could contain Russia.

EUROPE ARMING RUSSIA

At that moment I submitted a trade treaty for the RECORD, which will be found in the CONGRESSIONAL RECORD of the dates I mentioned, which had been entered into between England and Russia. The first item in that treaty was 1,100 locomotives, and the list continued along that line with various kinds of material which could be used to consolidate eastern Europe and China to fight in world war III. Some Senator said in the debate on the Senate floor at that time that, of course, the ECA Director would stop that. Well, the junior Senator from Nevada questioned whether he would or not, but we were assured the ECA Director would stop it. Now, 96 such trade treaties have been entered into. So apparently nothing was stopped.

Mr. Bevin and Mr. Wilson both served notice on the United States that they wanted to be neutral. That was in 1948. Late in 1948 the senior Senator from Nevada visited Mr. Nehru in India. He, Nehru, said the same thing—that they wanted to be neutral. In 1949 Mr. Nehru publicly announced that India was going to be neutral. Then England, India, and other sterling-bloc countries recognized Communist China.

Mr. President, how high does the evidence have to pile up for us to believe what we hear and believe what we see? We see that the countries we are aiding are furnishing Russia and the iron-curtain countries everything they need to fight us—everything they need to consolidate their countries. We see the countries we are aiding recognizing Communist China. They tell us in words of one syllable that they want to be neutral. What else can they do to convince us?

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MALONE. Yes; I am happy to yield.

Mr. BREWSTER. Did the Senator receive the news that Mr. Bevin just announced that he favored the admission of Communist China to the United Nations Security Council? Has that come to the Senator's attention?

Mr. MALONE. I thank the Senator from Maine for the information. Evidently that happened while we have been on the floor.

Mr. BREWSTER. That is correct.

Mr. MALONE. It is not unexpected, however.

Mr. BREWSTER. Has the Senator the idea that the one who pays the piper should be the one who calls the tune?

ARE WE EARNING "NEUTRALITY"?

Mr. MALONE. We have changed that old practice also. I think everything has been changed. I think all the old practices have been changed. I will say for the benefit of the Senator from Maine that I just said, that in 1948 Mr. Bevin and Mr. Wilson said they wanted to be neutral; that they wanted to trade with Russia; that they wanted to be the bridgehead between Soviet Russia and the capitalist countries. Late in 1948 Mr. Nehru, of India, told me the same thing on my visit to India. In 1949 Mr. Nehru announced publicly that India was going to be neutral. He said he had nothing against the Soviets, that he had nothing against us. He apparently was willing to take our money. He came over here to obtain some. I do not know what happened in that respect. Almost immediately after the Chinese Communists had taken over China, England, followed by India, recognized Communist China, followed closely by other sterling-bloc nations, all of whom said they wanted to be neutral, but who recognized China.

Mr. BREWSTER. Does the Senator have in mind that Communist China has not acknowledged the recognition by Britain?

Mr. MALONE. I would say to the Senator from Maine that in the humble opinion of the junior Senator from Nevada what England wants is trade. She will go any route to obtain trade, to reestablish or to keep established her trade routes. Whether her recognition is acknowledged or not, she will stay as long as she can and trade with Communist Russia and with Communist China.

Mr. BREWSTER. Has there been a more humiliating episode in recent diplomatic history than the picture of Britain recognizing Communist China, which refuses to return recognition, and has so refused for the past 4 months?

Mr. MALONE. Does the distinguished Senator from Maine imagine—if I may be permitted to ask a question without losing the floor—that there might be some kind of a deal to the effect that if England and the other sterling-bloc nations can now put over recognition of Communist China in the United Nations, Britain and the sterling bloc nations might themselves be recognized by Communist China?

Mr. BREWSTER. Was it anything more than an interesting coincidence that the announcement by Mr. Bevin today followed the call of Mr. Trygve Lie, after he had been to Moscow—which might lend some color to the suggestion of the Senator from Nevada.

Mr. MALONE. I would say that I did not miss that dispatch this morning, and it was exactly what I expected of Mr. Lie. If we were informed that he promised Stalin that he would go back and put over the deal, I would not be surprised.

Mr. BREWSTER. Does it interest the Senator from Nevada that our policy regarding Communist China seems to be disregarded by all the other countries to whom we are contributing very greatly to support their war on communism? Is it of interest to the Senator that while we are supplying arms to the countries

of western Europe, to save them from communism, they are supplying arms to the Arabs who, during the last war, refused to lift an arm when the Germans were right at the door of Cairo; but today those countries are supplying the Arabs with jet planes for the purpose, it is said, of internal security, while we are sending jet planes to Europe; and we are told that we must not recognize Spain because the Spaniards are terrible people, so we are informed, whereas Europe is doing millions of dollars' worth of business with the Spanish each year. Why must not we recognize Spain? It is because France and Britain would not like it.

So, Mr. President, must we keep on paying the bills of the countries of western Europe, while they do whatever they wish to do in their own interest, without much regard to its impact upon our security, our future, or with respect to our ideas? Is that what the policy of the present administration is?

Mr. MALONE. Mr. President, the Senator from Maine was not on the floor a little earlier today when I reviewed that field. Briefly, let me say that trade is going on as usual all over the world, except that the Government of the United States of America refuses to inform the taxpayers of the United States that such is the case, and still keeps up the pretense that we are trying to contain Russia, when, as a matter of fact, not only are the ECA countries furnishing materials and jet planes to the Arabs, but on the floor of the Senate in the spring of 1948 I said that Britain had supplied jet planes to Russia—and Britain had done so up to that time.

Mr. BREWSTER. Yes; that is admitted.

Mr. MALONE. From those samples, the Russians are now in the jet plane business.

Britain and the other 15 Marshall-plan countries are continuing, by means of the 96 trade treaties, to furnish Russia and her satellites and the countries behind the iron curtain everything they need to obtain from us for a third world war and everything they need to consolidated their gains in eastern Europe and in China.

Therefore I have said that we have made the complete circle, we have gone the full round. First we were going to rehabilitate the industries of the countries of western Europe. Next we were going to give them the money in order to close the dollar gap. Then finally it was banded about the corridors of the Capitol and in the committee rooms that if we did not appropriate this money, we suddenly would have a depression.

Mr. BREWSTER. Is it that they may be overestimating the dumbness of the American people, whereas the American people have a better idea of what is going on than they are always credited with having?

Mr. MALONE. In my humble judgment the American people are beginning to wake up. If those of us who are vocal, who are on the floor of the Senate, and have the avenues of information, will tell the American people the truth, I think we shall have no trouble with the Amer-

ican people and they will not have much more trouble with us.

Mr. President, at this time I wish to quote from an article entitled "International Surplus of Dollars," appearing in the May 1, 1950, issue of the publication *The Economic X-Ray*, published by Reuters, Ltd., in London:

INTERNATIONAL SURPLUS OF DOLLARS

It can be easily proven that there is an oversupply of dollars, in spite of a dollar shortage in a number of countries and increased difficulties for American exporters to remain competitive in countries which make it difficult to issue dollar licenses.

The sharp decline of American imports has greatly reduced the foreign demand for dollars. Most ECA countries, and especially Great Britain, have sharply reduced the dollar gap. Thus the further flow of Marshall aid and government credit is largely used in order to finance international flight of capital or export of capital flow of currency.

Last year's United States surplus of and the balance of payment amounted to \$6,100,000,000, of which United States Government aid (grants and loans) amounted to \$5,700,000,000. Private American investments amounted to \$500,000,000, and private donations to another \$500,000,000. International Monetary Fund and Work Bank supplied \$100,000,000. In addition, the United States bought gold for \$200,000,000. Thus foreign countries had a dollar supply of about \$7,000,000,000 dollars, while \$6,100,000,000 were needed in order to pay for the United States export surpluses of goods, services, and investment income.

Mr. President, in passing I wish to call attention to the significance of those figures and the close similarity between the \$7,000,000,000 figure and the \$6,100,000,000 figure. Those foreign countries received from this country an additional dollar supply of \$7,000,000,000, and that amount closely approximates the amount our Government obtained as a result of the sale of new bonds to the bond buyers and taxpayers of the United States, to pick up the check of \$7,000,000,000, which someone has to pick up.

Last fall the administration said it would be \$1,500,000,000. This spring the administration says it will be \$5,500,000,000. But, Mr. President, it will be over \$7,000,000,000. That is the amount of the check we will pick up, and it just happens to be the amount of money and goods which we have sent abroad. Is not that a coincidence?

I read further from the article:

This year's balance of payments will supply even a greater dollar surplus to the foreign world.

Marshall aid has been more than adequate and is likely to remain more than adequate. The \$500,000,000 of reserves that Britain lost in the second and third quarters of last year, plus the additional losses of reserves of some other sterling countries, all provided additional material to finance the flight of capital. Despite all that one was told at the time, it is manifest that none of it was really going to finance the United States export surplus. And all this occurred not over the year as a whole, but in the period of less than 9 months up to devaluation. In this period, the United States, the gold mines, Britain, and any other countries that were losing reserves, were stupendously providing something like \$2,000,000,000 a year to finance a flight of capital from overvalued currencies and no other purpose (except that a fraction of the gold was genuinely for artistic and industrial purposes).

In other words, we were financing a flight of capital from those countries, except for the almost insignificant amount of the gold which was to be used for genuinely artistic and industrial purposes.

I read further from the article:

It would certainly be better if America acted to reduce the world's need for dollar aid, e. g., by selling farm products at unsupported prices and allowing the world to earn the reduced number of dollars that it would then need, by admitting imports into the United States without high tariff barriers and obstructive customs formalities.

Independent countries would far rather be allowed to earn dollars than live on charity. Considering this American overcharging, this strange American desire to give exports away instead of accepting payment for them, and this American policy of subventions to allies (the policy that Britain followed for the centuries in which sovereigns were the cavalry of St. George), the astonishing thing is how far the United States export surplus has fallen since devaluation.

It may well be that the outside world has already closed more than all of the dollar gap, except the part that the Americans themselves create.

OUR PROBLEMS ARE SELF-MADE

Mr. President; I have covered that pretty thoroughly earlier in the debate. We create the dollar gap by furnishing the money to the European countries to buy goods and products beyond their means, and we then say that we must divide our market, that is, buy goods from them that we do not need and that we cannot buy without throwing American workmen out of employment and ruining American investments. We then put our own working men on relief, and by furnishing tutors, as was suggested by the eminent Director of ECA and the Secretary of State, teach the unemployed new jobs. How they would go about teaching the glass workers and other workers new jobs which it has taken a lifetime to perfect has not been made clear. But in any case that is what they intend to do. So we create our own trouble, Mr. President, by appropriating money, and then eliminate the trouble, or try to do so, by appropriating more money.

Yesterday, according to the Washington Post and the New York Journal of Commerce, we have two more examples of industries being wrecked through the three-part free-trade program adopted by the administration which includes the 1934 Trade Agreements Act, as extended, giving to an industrially inexperienced State Department the right to slash tariff and import fees approximately 75 percent without regard to the differential of the cost of production due to the difference in the wage standards of living in this Nation and in the competitive countries. The ECA or Marshall plan makes up the trade balance deficits of the European countries in cash while the markets of the United States are being divided with them through tariff reductions to the point that theoretically we would have an equal living standard with such European countries and there would be no further European nation trade balance deficits.

THE INCREASING THREAT OF IMPORTS

Mr. President, in the New York Journal of Commerce, of May 23, 1950, it is announced in a headline:

Tariff cut plans blasted by cotton textile industry.

The headline continues:

Would invite disaster by unfair competition, it is charged in brief.

The reference is to a brief filed with the United States Tariff Commission by the cotton-textile industry. The article says:

A policy of tariff cuts as a device for closing the "dollar gap" is a dangerous fallacy and would invite disaster at home by letting loose a torrent of foreign products from low-wage countries on the American market, the cotton textile industry has charged.

The industry, in a brief filed with the Committee for Reciprocity Information, warns that exports of American cotton textiles "have been wrecked by the combination of devaluation and the rise of low-cost foreign competition." This drop in export trade represents a loss of more than one-half billion dollars and is equivalent to 52,000 textile jobs and millions of wage dollars.

In other words, this is equivalent to stopping these exports through the building up of industries abroad, through the ECA and the Marshall plan. It will result in a loss of 52,000 jobs in the cotton-textile industry of the United States. That is the estimate of the industry itself.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MALONE. Mr. President, would the Senator from Texas like to have the floor?

Mr. CONNALLY. I should like to have someone else have it besides the Senator from Nevada.

Mr. MALONE. That would be very good for me, but I shall retain the floor, or the Senator from Texas can take it.

The PRESIDING OFFICER. The Senator from Nevada has the floor. The Senator will proceed.

Mr. MALONE. The article continues:

Prepared jointly by the American Cotton Manufacturers Institute, Inc., National Association of Cotton Manufacturers, Association of Cotton Textile Merchants of New York, and Textile Export Association of the United States, in conjunction with other industrial groups, the brief was filed preliminary to tariff hearings scheduled for coming weeks.

TORQUAY MEETING

Testimony will be presented at these hearings for consideration in tariff negotiations with 23 or more countries in Torquay, England, in September, concerning some 2,000 types of goods directly competitive with products made in at least 500 textile plants from Maine to Texas, the brief discloses.

The textile statement insists that further reductions of tariffs, already slashed at least a third since 1935 and amounting to 75 percent in some cases, can only serve to compound damage already at our doorstep and injure the American economy out of proportion to any possible good which can be accomplished.

One of the gravest fears, the brief says, is that unequal competition with low-wage countries will waste the superior efficiency of the American cotton textile industry, which is now being used to support the programs of this country's internal economy.

Mr. President, the reason for my reading this article at this moment is that it is impossible to separate the ECA program from the 1934 Trade Agreements Act, which is designed specifically to divide the market of this Nation, in accordance with the testimony of Mr. Thorp before the committee of the House, so that theoretically the ECA will no longer be needed. The International Trade Organization was merely designed to make a permanent situation of the thing of which these people are now complaining.

Mr. President, I ask unanimous consent to have the remainder of this article from the New York Journal of Commerce, of May 23, 1950, printed in the RECORD at this point.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

EFFICIENCY THREATENED

For this reason, superior efficiency cannot serve as a weapon to meet foreign competition, it was explained, and "in reality such competition would sacrifice the most efficient to the less efficient."

Among the fruits of our superior efficiency, now a part of America's social and economic structure and irremovable without damage to the entire system, where listed high United States textile wages, treble those of major European competitors and 10 times those of Japan and India; enlarged support to cotton farmers; financing of mill reequipment and modernization programs; and economic support of the multitude of suppliers to the industry, which is described as practically 100 percent American with all costs embraced within the American price system.

"Free market competition with foreign countries means throwing into the balance our higher wages, which in major part are the measure and substance of our efficiency," the brief asserts.

As for new, improved machinery, and modernization of mills, for which the industry has been paying \$300,000,000 a year since the end of the war, the brief says, "the means of technical progress cannot be acquired where there is a continual erosion of the wage and price structure; and a forced diminution of physical stature from the imports of sub-wage standards countries."

NATIONAL DEFENSE STRESSED

The industry statement also asks that the tariff negotiators consider the vital importance of the textile mills to national defense, demonstrated during the last war when not only were all military and essential civilian requirements met in this country, but those of the Allies as well.

"While the textile industries of the other Allied powers virtually ceased operations because of lack of materials and manpower, the textile industry of the United States reached heights of production previously believed unattainable under any conditions. This accomplishment without doubt was one of the major factors in the winning of the war.

"It is no less important at this time, and for the same potential reasons, to maintain our industry's capacity and efficiency at maximum levels," the brief stated.

The cotton-textile industry has "already contributed more than its share" to world adjustment in trade by sacrifice of the United States export market with a loss of a billion yards to other nations since 1947, the brief continued. In value this destruction of the American export market amounts to a loss of \$535,000,000 that foreigners are no longer spending for United States goods, it was emphasized.

IMPACT NOT YET FELT

The brief likewise warns that the full impact of tariff cuts made during the past 15 years has not yet been felt. Until the end of 1948, the reciprocity committee was informed, foreign industries had not sufficiently recovered to offer serious competition in the American export or domestic markets.

Then as western European nations, Japan, India, and Germany gradually built up their production and exports of textile goods, with the aid of American tax dollars, their combined export increase moved first into areas of scarcity where the demands were strongest and means of payment in soft currencies most abundant.

"As these markets become increasingly saturated with British, Japanese, Indian, Italian, Belgian, Swiss, and French goods, the next great diversion of textile exports will be toward the United States," the brief predicts. "Then we will feel for the first time the true significance of the concessions which were made at Geneva in 1947."

It may turn out that these concessions were in many cases "excessive and unwisely granted," the brief continues, adding that "until that question has been satisfactorily answered, it is both needless and dangerous to make further reductions."

The statement likewise says American industry has yet to feel the full effect of currency devaluation abroad and voices fear that the ultimate consequences of devaluation alone "may be fatal to certain segments of the American textile industry."

Mr. MALONE. Mr. President, I have here a dispatch which appeared in the New York Herald Tribune on May 23, 1950, which is headlined as follows:

Union Joins in Mine Protest on Oil Imports. UMW and Coal Operators Tell Congress 50,000 Jobs May Be Sacrificed.

This is in line with what I have been saying about importations, and it goes on to explain the importation of oil from the Middle East and other points which is displacing coal miners in the South, in West Virginia, and in other areas of this country. As many as 50,000 miners will be displaced this year, according to the dispatch. It also mentions the fact that imported oil will displace other petroleum sources of supply.

I ask unanimous consent to have printed in the RECORD at this point this dispatch published in the New York Herald Tribune of May 23, 1950.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

UNION JOINS IN MINE PROTEST ON OIL IMPORTS—UMW AND COAL OPERATORS TELL CONGRESS 50,000 JOBS MAY BE SACRIFICED

WASHINGTON, May 22.—The United Mine Workers and coal operators joined forces today and protested to Congress that foreign oil imports threaten the jobs of 50,000 miners this year.

The protest was made by Thomas Kennedy, UMW vice president, and D. T. Buckley, representing the National Coal Association.

Mr. Kennedy told a Senate labor subcommittee the "present flow of import oil has gravely disturbed our American economy." He said that if it continues, "we shall witness a complete disrupting and revamping of our American fuel pattern."

The steady increase of imported oil in 1949, Mr. Kennedy said, "directly affected 25,000 coal miners. Some were completely severed from their work, and the remainder

had their workdays drastically reduced in number."

SEES YEAR'S WORK LOST

Mr. Buckley said, "anticipated 1950 imports threaten the equivalent of a year's work for 50,000 miners in the bituminous coal industry."

The subcommittee, which is studying unemployment in mining fields, is headed by Senator MATTHEW M. NEELY, Democrat, of West Virginia.

"The displacement of bituminous coal has seriously affected the employment of bituminous coal miners in two ways," Mr. Buckley said. "It has caused closing down of mines that were a necessary part of America's war effort," and "has curtailed the number of days of employment afforded coal miners in mines that are still in operation."

Both Mr. Buckley and Mr. Kennedy charged the oil industry with raising consumer prices on gasoline to pay for the decrease in residual (oil) prices that importers wanted so as to raid coal markets.

Mr. Buckley warned that unless this situation is corrected the loss to our Nation can never be replaced in time of war because a coal mine, like an oil well, is of no value unless it is developed.

GOVERNMENT BUYING URGED

WASHINGTON, May 22.—Representative DANIEL J. FLOOD, Democrat of Pennsylvania, proposed today that the Government buy enough anthracite to maintain normal production and employment in the hard-coal fields. Representative Flood introduced a bill to set up a three-member board in the Interior Department to determine how much anthracite should be purchased and to fix just and reasonable prices for it.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks another dispatch appearing in the New York Herald Tribune in relation to the same subject.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

TEXTILE GROUPS FEAR EFFECTS OF LOWER TARIFFS—FOUR ASSOCIATIONS JOIN IN WARNING ON DEVALUATIONS

Four large textile groups joined yesterday in the warning that American industry has yet to feel the full effect of currency devaluations abroad and tariff concessions made in the last 15 years, and voiced the fear that the consequences of revaluation alone may be fatal to certain segments of the textile industry.

The American Cotton Manufacturers Institute, National Association of Cotton Manufacturers, Association of Cotton Textile Merchants of New York and the Textile Export Association said in a brief filed with the Committee for Reciprocity Information, preliminary to tariff hearings to be held later this spring, that their export trade has dropped more than \$500,000,000 due to devaluation of foreign currencies and low-cost foreign competition.

COMPETITION NOW KEENER

Testimony will be presented at the hearings for consideration in the tariff negotiations to be held with 23 nations at Torquay, England, in September. The cotton textile industry, the brief added, has contributed more than its share toward world trade adjustment by sacrifice of the United States export market with a loss of 1,000,000,000 yards of cloth to other nations since 1947.

Until 1949, it was said, foreign business had not sufficiently recovered to offer serious competition in the American market. Then as European nations and Japan and India built up production, their textile ex-

ports moved into areas where the demands were strongest and means of payment in soft currencies most abundant.

As these markets became saturated with British, Japanese, Indian, Belgian, Italian, Swiss, and French goods, the brief said, "the next great diversion of textile exports will be toward the United States. Then we will feel for the first time the true significance of concessions that were made at Geneva in 1947."

WINE INSTITUTE PROTESTS

As the brief was prepared, the Department of Commerce issued figures showing that exports of cotton cloth from the United States in the March quarter were 120,740,000 square yards, a decline of 57 percent from the like 1949 period.

A protest over further tariff cuts was issued also by the Wine Institute. The addition of dessert wines to the list of products subject to tariff negotiation "places every segment of the grape-growing industry in grave economic danger," according to H. A. Caddow, secretary of the Institute. He said that a cut in the dessert wine tariff would let down the bars to volume dumping of cheap foreign products on this market where an annual oversupply of grapes already exists.

The textile groups contended that a policy of tariff cuts as a device for closing the dollar gap is dangerous and invited disaster. Cooperative efforts of this country in world recovery, they added, should not be carried to the point of weakening or endangering the American economy.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks articles from the Washington Post of May 23, 1950, on the same general subject.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HEARING IS STARTED—OIL IMPORTS COSTING JOBS, MINERS SAY

Spokesmen for coal miners and operators urged Congress yesterday to curb oil imports, which they said are causing thousands of American workers to lose their jobs.

D. T. Buckley of the National Coal Association and Thomas Kennedy, vice president of the United Mine Workers, protested at a Senate Labor Subcommittee hearing that foreign oil is being dumped in this country at unfair prices.

"The equivalent of a year's work for 50,000 miners in the bituminous-coal industry is being destroyed by foreign oil at the current rate of importation," Buckley said.

Kennedy said that 100,000,000 barrels of residual oil—that is, oil used for fuel or industrial purposes—was imported last year and either put 25,000 coal miners out of work or reduced their workweek. He said the oil was marketed at ridiculously low prices.

Buckley estimated last year's oil imports cost 25,000 miners and 25,000 transport workers their jobs and said these figures could be doubled in 1950 if the present trend continues.

They testified at the opening of the subcommittee's hearing on a resolution by Senator NEELY (Democrat, West Virginia) to investigate the causes of increasing unemployment in the coal, railroad, oil, zinc, lead, and silver industries.

Kennedy said that if the present flow of imported oil increases, "as the prospect seems to indicate, we shall witness a complete revamping of our American fuel pattern."

LOSS OF TEXTILE JOBS LAID TO DEVALUATION

NEW YORK, May 22.—American cotton textile men say their export trade has dropped

more than \$500,000,000 as a result of devaluation of foreign currencies and increased low-cost foreign competition.

This sum, they add, is equivalent to 52,000 American textile jobs and millions of wage dollars.

They compiled the figure in a battle against any further reduction of tariffs, claiming levies already have been slashed at least a third since 1935 and some items have been hit by 75 percent cuts.

The American Cotton Manufacturers Institute, Inc., the National Association of Cotton Manufacturers, the Association of Cotton Textile Merchants of New York, and the Textile Export Association of the United States joined in preparing the brief for coming tariff hearings.

They have filed a survey of their views with the Committee for Reciprocity Information in Washington. Their testimony will be presented at committee hearings for consideration in tariff negotiations in England in September.

As the textile men prepared their brief, United States Department of Commerce figures showed that exports of cotton cloth from the United States in the first quarter were 120,740,000 square yards, a decline of 57.5 percent from the first quarter of 1949.

Mr. MALONE. Mr. President, I also have before me a dispatch printed in the Wall Street Journal of May 12, 1950, entitled "Point 4 Pitfall," with the following additional headline:

It would dampen real investments abroad and give other nations free ride on gravy train.

The dispatch says, in part:

President Truman's point 4 at the present moment looks like a pretty small seed. It calls for an appropriation of \$45,000,000, by the present Congress, a sum that has been tentatively reduced to \$25,000,000.

But big plants sometimes sprout from small seeds. Point 4, which proposes an extensive use of Government guaranties in order to bolster American investment in underdeveloped areas, contains the potentialities of a device for subsidizing exports at the expense of the taxpayer.

It has been brought out in debate very clearly, yesterday afternoon and today, that point 4 is merely an opening of the door, just a foot in the door. In other words, the amount of money called for is relatively small in the light of all the great appropriations made over the past several years by this Congress, but there is no limit in point of time as to how long it may last. There is no limit as to the area in which it may apply. Therefore, the only limit that can be placed on the use of point 4 are appropriations by the Congress of the United States. As pointed out previously, almost immediately after point 4 is agreed to, if it be agreed to, there is no doubt that a great propaganda machine will start to roll to convince the taxpayers and the Members of Congress that appropriations should be increased at least by next year, if not before we leave this summer.

The dispatch further says:

A behind-the-scenes struggle is going on in Washington today between officials who believe that subsidies to foreign countries should cease in 1952 and those who are convinced that further aid, in some form, is necessary to assure political stability in the non-Communist world and to sustain a high level of American exports.

In other words, Mr. President, we must continue to draw money out to give those nations to buy our exports.

I read further from the dispatch:

Point 4, if put into effect in such a way as to stimulate a big flow of American investment dollars into Asia, Africa, and Latin America, could furnish a sequel to ERP. European countries, no longer receiving direct American aid, might, so the argument runs, earn some of the surplus dollars which would be flowing into the underdeveloped areas.

Mr. President, I ask unanimous consent to have appear in the RECORD at this point the entire dispatch from which I have been reading.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

POINT 4 PITFALL.—IT WOULD DAMPEN REAL INVESTMENTS ABROAD AND GIVE OTHER NATIONS FREE RIDE ON GRAVITY TRAIN

(By William Henry Chamberlin)

President Truman's point 4 at the present moment looks like a pretty small seed. It calls for an appropriation of \$45,000,000 by the present Congress, a sum that has been tentatively reduced to \$25,000,000.

But big plants sometimes sprout from small seeds. Point 4, which proposes an extensive use of Government guaranties in order to bolster American investment in underdeveloped areas, contains the potentialities of a device for subsidizing exports at the expense of the taxpayer. When this writer was in Europe last summer he noticed an eager gleam, a "What's there in it for us?" gleam, in the eyes of officials of countries with areas which might qualify as underdeveloped whenever point 4 was mentioned.

A behind-the-scenes struggle is going on in Washington today between officials who believe that subsidies to foreign countries should cease in 1952 and those who are convinced that further aid, in some form, is necessary to assure political stability in the non-Communist world and to sustain a high level of American exports. Point 4, if put into effect in such a way as to stimulate a big flow of American investment dollars into Asia, Africa, and Latin America, could furnish a sequel to ERP. European countries, no longer receiving direct American aid, might, so the argument runs, earn some of the surplus dollars which would be flowing into the underdeveloped areas.

THE PRESIDENT'S RECOMMENDATIONS

President Truman stated the case for point 4 in the following words:

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

"We should make available the benefits of our store of technical knowledge. . . . And . . . we should foster capital investment in areas needing development.

"If the productivity and the purchasing power of these countries are expanded, our own industry and agriculture will benefit. . . . To increase the output and the national income of the less developed countries is to increase our own economic stability.

"In addition, the development of these areas is of utmost importance to our efforts to restore the economies of the free European nations. As the economies of the underdeveloped areas expand they will provide needed products for Europe and will offer a better market for European goods."

The President concluded with a recommendation that the Export-Import Bank be authorized to guarantee American private investments against the risks peculiar to in-

vestment in underdeveloped areas, notably the risk of inability to convert earnings in local currencies into dollars. Under Secretary of State Webb later told the Senate Banking and Currency Committee:

"The proposed legislation does not guarantee any investor a profit, or protect him against ordinary business risks to which investors everywhere are subject. Guaranties would be limited to risks peculiar to foreign investments."

JEOPARDIZES PRIVATE INVESTMENTS

Like many other ventures in state intervention, point 4 seeks to promote desirable ends by means that are questionable and may well be self-defeating. There certainly are economically backward regions in Asia, in Africa, in Latin America that could be made wealthier and more productive by an inflow of American capital. Now that basic reconstruction has been largely completed, western Europe seriously needs new economic outlets to make up for its loss of investments and accumulated wealth during the war. The United States would benefit in many ways from a high level of production and international trade.

But these considerations do not prove that a reckless mortgaging of American public funds is either necessary or justified. United States business is alive to the possibilities of profitable foreign investment. American holdings abroad are estimated at \$16,000,000,000, of which \$4,000,000,000 have been invested since the war.

Oil companies have been especially active in developing foreign resources and United States Steel has embarked on a large-scale project of exploiting a new rich iron deposit in Venezuela. If fair treatment were accorded to foreign capital and if there were further progress in accepting the proposition that our exports and investments must be paid for by accepting a larger volume of imports, there is every prospect that the outflow of American capital, on reasonable business terms, would be much increased and would fill the need in this field.

The injection of Government aid into the situation is more likely to hinder than to help this process. It is much harder for a government, without incurring the unwelcome charge of imperialism, to press for fair treatment of foreign capital than it is for a foreign business firm to negotiate for such treatment. The business firm, if it faces confiscatory taxation, discriminatory labor legislation, inconvertible currency and similar obstacles, can simply withhold its funds.

OPEN TO IMPERIALISM CHARGE

Government agencies which take a hand in promoting the flow of investment would be much more likely to follow a policy of appeasement. They would be sensitive to the charge of imperialism and dollar diplomacy. And, after all, it would not be their personal fortunes which would be at stake. They might well feel that they had done a good job if they had merely underwritten a large volume of investment. A bank or a business firm, before it risked the money of its clients and stockholders, would be much more inclined to ask searching questions as to whether the investment was likely to yield a profitable return.

Moreover, private investment is much more likely than Government-sponsored investment to flow into fields where there is visible consumer demand, either in the foreign country, or in the United States.

Mr. MALONE. Mr. President, in the New York Journal of Commerce of May 24, 1950, there is a dispatch headed "Security issue raised in oil import hearing." I read:

Domestic oil and oil producers joined today in warning Congress that unchecked imports of oil threaten our national security in another war.

Their spokesmen appeared at the second day of hearings by a Senate labor subcommittee headed by MATTHEW NEELY, Democrat of West Virginia, that is looking into the amount of unemployment being caused by imports of various minerals and metals. The group is to report by June 25.

I ask unanimous consent to have appear in the RECORD at this point the entire dispatch from which I have quoted.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

SECURITY ISSUE RAISED IN OIL IMPORT HEARING

WASHINGTON, May 23.—Domestic oil and coal producers joined today in warning Congress that unchecked imports of oil threaten our national security in another war.

Their spokesmen appeared at the second day of hearings by a Senate labor subcommittee headed by MATTHEW NEELY (Democrat, West Virginia) that is looking into the amount of unemployment being caused by imports of various minerals and metals. The group is to report by June 25.

ASKS IMMEDIATE ACTION

The Independent Petroleum Association of America declared that there must be "immediate action" against oil imports. It said the alternative is an "inadequate supply" if war comes.

H. B. Fell, IPAA executive vice president, declared that an import limitation would check deteriorating conditions that have developed in the domestic petroleum industry.

He was backed by L. Ebersole Gaines, president of the West Virginia Coal Association, and O. C. Bailey, chairman of the Arkansas State Oil and Gas Commission.

Each of the subcommittee members said he supported the demand for legislative curbs, but ELBERT THOMAS (Democrat, Utah), Labor Committee Chairman, and Minority Member ROBERT TAFT of Ohio indicated they want more facts to show that an import limit will restore employment in the domestic industry.

TAFT warned that the subcommittee would have to take similar action for other industries, if we do it for oil. We will be reversing the administration's policy of the last 17 years by reverting to a protective policy." He said he favors a higher oil tariff or quota, but "I'm simply pointing out the difficulties you're getting into, including retaliatory action."

NEELY argued that "most of the import oil is brought in by American companies. About the only money foreign countries get are royalties to sheiks or whoever runs the country and wages to domestic labor."

FAVORS EXCISE TAX

Fell put the blame for declining employment, production, and profits squarely on the "substantial increases in imports." He told the committee that a \$1.05 "excise tax" on imports of crude oil and fuel oil would restore employment and give independents enough money to continue looking for new wells.

He offered a tabulation purporting to show how a \$1.05 tariff would bring the price of foreign oil up to the domestic level. Gaines said the same amount of protection would restore competition between coal and imported residual fuel oil in Atlantic seaboard markets.

Since the peak domestic output of late 1948, Fell declared, 32,000 jobs have been eliminated in the domestic oil industry because of imports, including 18,000 in oil producing.

OIL USERS SEEN HIT

BOSTON, May 23.—The present "crusade" of John L. Lewis, the National Coal Association and a group of independent oil producers to restrict imports constitutes a "menacing

threat" to the fuel economy of the entire New England area, according to Joseph B. Wells, executive director of the Independent Oil Men's Association of New England.

Declaring that the proposed import restrictions would boost New England's industry fuel bill by more than \$50,000,000 annually, Mr. Wells said, then "we shall literally be the Peter that someone robbed to pay Paul."

Under the higher tariff scheme proposed, he asserted, "residual oil prices in New England must under legislative compulsion advance from 35 to 40 percent. And, under the import restriction proposals, New England's dependable Caribbean sources of supply will perform be sharply curtailed if not virtually eliminated."

The effect of such penalizing import restrictions will not be limited to residual oil but will also find reflection in what the consumer must pay for domestic heating oil, Mr. Wells pointed out.

THERE IS A WAY OUT OF THE DANGER

Mr. MALONE. Mr. President, it has been stated repeatedly in dispatches and on the Senate floor what the effect on our industries will be from imports from foreign nations. I want to point out that not only the fuel industry, but the textile industry, the mining industry, the crockery industry, the glass industry, and dozens of other industries are in exactly the same boat. The only way we can stem the tide is through the adoption of a principle of substituting a flexible import fee for the Trade Agreements Act which transferred from Congress the constitutional authority of Congress to the State Department and put into its hands the right to say what industries in this Nation can survive and what industries can be sacrificed.

In connection with an article which appeared in the National Wool Grower for May 1950, I ask unanimous consent to insert in the RECORD at this point a list of the officers of the National Wool Growers' Association, an editorial on tariff negotiations, and an article by Mr. Eugene O'Dunne, Jr., attorney, and Washington counsel for the National Association of Wool Manufacturers, on the subject of opening our markets to foreign nations.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

NATIONAL WOOL GROWERS ASSOCIATION

PRESIDENT

Howard Vaughn, Dixon, Calif.

HONORARY PRESIDENTS

R. C. Rich, Burley, Idaho.
C. B. Wardlaw, Del Rio, Tex.
T. J. Drumheller, Walla Walla, Wash.
G. N. Winder, Craig, Colo.
Sylvan J. Pauly, Deer Lodge, Mont.

VICE PRESIDENTS

John A. Reed, Kemmerer, Wyo.
Ray W. Willoughby, San Angelo, Tex.
A. R. Bohoskey, Yakima, Wash.
Wallace Ulmer, Miles City, Mont.
John H. Breckenridge, Twin Falls, Idaho.

EXECUTIVE SECRETARY-TREASURER

J. M. Jones, Salt Lake City, Utah.

ASSISTANT SECRETARY

Edwin E. Marsh, Salt Lake City, Utah.

EXECUTIVE COMMITTEE

Robert W. Lockett, Flagstaff, Ariz.
Joseph Russ, Jr., Ferndale, Calif.
Angus McIntosh, Las Animas, Colo.

David Little, Emmett, Idaho.
Howard Doggett, Townsend, Mont.
E. R. Marvel, Battle Mountain, Nev.
W. H. Steiwer, Fossil, Oreg.
Joseph G. Trotter, Edgemont, S. Dak.
J. C. Mayfield, Juno, Tex.
Don Clyde, Heber City, Utah.
Milton Mercer, Prosser, Wash.
Harold Josendal, Casper, Wyo.

AFFILIATED ORGANIZATIONS

Arizona Wool Growers Association, 14 East Jefferson Street, Phoenix: Kenneth P. Pickrell, president; H. B. Embach, secretary.

California Wool Growers Association, 151 Mission Street, San Francisco: Joseph Russ, Jr., president; W. P. Wing, secretary.

Colorado Wool Growers Association, 4665 Lafayette, Denver: Angus McIntosh, president; Brett Gray, Jr., secretary.

Idaho Wool Growers Association, post-office box 2598, Boise: David Little, president; M. C. Claar, secretary.

Montana Wool Growers Association, 515 Power Block Building, Helena: Wallace Ulmer, president; Everett E. Shuey, secretary.
Nevada Wool Growers Association, post-office box 1429, Reno: E. R. Marvel, president; John E. Humphrey, secretary.

Oregon Wool Growers Association, post-office box 256, Pendleton: W. H. Steiwer, president; Victor W. Johnson, secretary.

Texas Sheep and Goat Raisers Association, Cactus Hotel Building, San Angelo: J. C. Mayfield, president; Ernest L. Williams, secretary.

Utah Wool Growers Association, 361 Union Pacific Annex Building, Salt Lake City: Don Clyde, president; J. A. Hooper, secretary.

Washington Wool Growers Association, 110 East Chestnut Avenue, Yakima: H. Stanley Coffin, president; A. E. Lawson, secretary.

Western South Dakota Sheep Growers Association, Rapid City: Joseph G. Trotter, president; H. J. Devereaux, secretary.

Wyoming Wool Growers Association, McKinley: Harold Josendal, president; J. B. Wilson, secretary.

TARIFF NEGOTIATIONS

Here we go again—the State Department has announced September 28, 1950, as the date, and Torquay, England, as the place for a review of the Geneva trade-agreement negotiations of 1947, and for further reductions or the binding of present duties on approximately 2,500 commodities.

Negotiations will be carried on with all contracting countries to the Geneva Agreement on Tariffs and Trade and in addition, with Austria, the Federal Republic of Germany, Guatemala, Korea, Peru, and Turkey—in fact, all countries not dominated by the U. S. S. R.

Negotiations will cover wool, mohair, manufactures of wool, sheep and lambs, cattle, etc. From past experience it isn't difficult to determine what will happen to the present duties on these commodities—they will, in all probability, be reduced.

Apparently consideration will be given to the reduction of duty on wools not finer than 44's and on mohair but not on wools 44's and below; in other words, not on common and braid. According to Government figures, common and braid constitute only two-tenths percent of the total domestic production. Therefore, negotiations will cover the duties on foreign wools that compete with 99.8 percent of the domestic wools produced. All manufactures of wool are up for consideration.

Inasmuch as the duty on sheep, lambs, and goats was reduced 50 percent in the trade agreement with Mexico in 1942, from \$3 per head to \$1.50 on live animals, from 5 cents per pound on mutton and goat meat to 2½ cents per pound, and on lamb meat from 7 cents per pound to 3½ cents, a further reduction of 50 percent could be made on the above because the act of 1945 permits a 50-

percent reduction in duties in effect on that date.

In the case of wools finer than 44's, 25 percent of the present duty is the limit allowed under the present law. In the Geneva agreement, wools finer than 44's (low quarter blood and up) were reduced 25 percent, or from 34 cents a clean pound to 25½ cents. A further reduction of 8½ cents or to 17 cents per clean pound is possible.

It will be recalled that the reduction in duty on wool under the Geneva agreement accomplished only one thing, and that was to give foreign producers more money because the price of foreign wool increased the extent of the tariff reduction. The domestic consumer didn't benefit, and the United States Treasury lost the income.

How much longer the American raw-material producer and worker are going to permit exorbitant taxes to give money to foreign countries and at the same time allow the State Department to destroy American industry is not entirely clear, but more domestic industries are beginning to make their positions known. The domestic sheep industry and manufacturers of wool will not long be the "lone lambs" being led to slaughter by the State Department and governmental theorists.

New industries every day are crying out. Now come the oil interests, coal interests with the backing of their labor unions, cotton textiles, rubber and footwear manufacturers; in addition to those, pottery, glassware, watches, nut producers, hat manufacturers, etc., who, like the sheep industry, have realized the ultimate results of the past actions of the striped-pants negotiators.

Congressman PATTERSON (Connecticut) in his statement before the House on April 21 under the title, "The United States as an International Sucker," said: "The beneficiaries of ECA money are producing finished goods for export in direct competition with this country. * * * I ask not that high tariff barriers be erected shutting off this country from foreign trade, but we must use common sense for our self-preservation." There can be no quarrel with a fair statement such as the Congressman makes.

The countries with whom trade agreements are being negotiated (and the principal ones at that) continue with their "blocked sterling" cartels, bilateral agreements, embargoes, etc. Many businessmen think that "blocked sterling is one of the biggest obstacles to world trade." It may be all right to be an idealist, but the American taxpayers and producers are not living on ideals. These trade agreements are supposed to be "reciprocal," but the word does not appear in the agreements act, nor is it practiced by foreign countries. Congressman PATTERSON has chosen an appropriate title.

Now confining ourselves strictly to raw wool, the necessity for tariff reduction is not only absurd but dangerous. The Government wool support program should be considered only as an expedient and continued only as a disaster floor. It is doubted that many producers would approve it, only as a disaster floor, if adequate tariff protection were provided.

The United States has been and probably always will be an importing country as far as raw wool is concerned. Foreign countries will not be able to sell any materially increased quantity of wool as a result of tariff reduction, especially under conditions such as exist today. A further reduction in tariff under present conditions simply means more dollars for foreign-wool producers. It wouldn't lower the price of imported wool in the United States, but would only decrease the revenue to the Treasury.

Our Congress recognizes the importance of wool as a strategic commodity. Recently

hearings have been held relative to stockpiling. The State Department has been advised many times of the possibility of a foreign-wool monopoly and that point is as close as it has ever been in history, with the domestic sheep population the lowest on record.

Congress on the one hand recognizes the importance of the sheep industry through the treatment given wool in the Agricultural Act of 1949, encouraging its production. At the same time, the State Department takes the opposite point of view of discouraging increased production through reducing the tariff and threatening further reduction.

Nevertheless the industry is again officially pointing out to the State Department its position by the submission of a brief before the committee for reciprocity information.

OPENING OUR MARKETS TO FOREIGN COUNTRIES (By Eugene O'Dunne, Jr., attorney, and Washington counsel for National Association of Wool Manufacturers)

The administration is about to launch an all-out drive to channel products of foreign countries into this market. Our tariff rates, although now at the lowest average level in history, are still claimed to be unnecessarily high and as constituting serious trade barriers to imports. Customs administrative procedures will be streamlined to accelerate the flow, and methods of valuation will be changed so as to reduce the duty payments. No industry, sensitive to excess imports and cheap foreign competition, can feel immune.

Secretary Acheson and ECA Administrator Hoffman both want to get more dollars into European hands, and for this purpose they advocate further lowering United States tariff rates, even to the extent of intentionally displacing those American industries which cannot compete with the foreign items. While differing on the type of relief to the American workers made idle by this program, Messrs. Acheson and Hoffman are otherwise in agreement on the principle that tariff protection for industry must be eliminated. Officials of the Economic Cooperation Administration are doing everything possible to persuade Marshall plan countries to reduce their purchases of American products to a minimum and at the same time step up their exports to this market. This is termed "closing the dollar gap," and the more our own exports decline and our imports increase the more pleasing our officials find it. The much-publicized escape clause so often pointed to as industry's guaranty against injury from imports, loses some of its reassuring stability now that neither serious injury nor bankruptcy will justify any action to curtail competitive imports.

In the execution of this policy the Trade Agreements Act serves as a handy little device to make substantial reductions in American rates in return for conditional promises, which not even the most ardent supporters of the program, will contend are of much practical value. Under the power delegated by the Trade Agreements Act a third round of tariff slashing will be undertaken at Torquay in September and it is anticipated that, with insignificant exceptions, every item on the tariff schedule not already cut 50 percent below the 1945 level, will be subject to further reduction. This additional round of tariff reductions has been scheduled even before the most recent cuts made at Annecy last year have become effective. We are informed officially that the intended objectives of these conferences are reductions in the tariff rates of foreign countries so as to increase our exports. Many people profess difficulty in reconciling the efforts of the ECA officials to exclude American products from European markets on the one hand, with the State Department's an-

nounced objective to expand our exports through the Torquay conference, on the other.

Access to the United States market on terms approaching free trade appears to be the present program for immediate European relief. Additional deep tariff cuts at Torquay are designed to add impetus to this new imports drive which we are assured is of vital necessity since European industries are being geared up to an export basis. It is evident that by officially soliciting their products for this market, we will supply the indispensable export outlet for their expanded economy. However, so long as Congress reserves to itself the right to change the rules governing this free access to the United States, those countries, because of their economic dependence on this market, may feel certain predictions for America's political suggestions. Such result, entirely incidental to the program, could under certain circumstances be regarded in some quarters as in the nature of a sword of Damocles. In either event, and no matter how regarded, such power would persist until Congress surrenders the right to take unilateral action on the volume and nature of our imports by voting to join the International Trade Organization. The removal of the sword would then be permanent. It would be unfortunate if the restoration of independence to the economies of western Europe should now be indefinitely deferred because a dependent, initially intended as transitory had become "The Man Who Came to Dinner."

However, even before the new import aid program is under way, many American industries are already beginning to complain that imported products are being sold in this market below the production cost of domestic items. The low manufacturing costs in foreign countries are generally predicted to go lower while, on the other hand, there is nothing in sight, at least from the Washington scene, indicating any relief in costs and taxes to the American producer. Mere mention of the difficulty presently experienced by the Ways and Means Committee in eliminating only a percentage of the wartime excises demonstrates this. If, therefore, excess imports are to be encouraged to a point necessitating extended Federal unemployment compensation and job retraining, as officially suggested, it may be found that such imports will have a softening effect on the American market as a whole and not just on the particular industries affected. This may cause certain exporting industries, now advocating increased imports, to reascertain whether they are justified in taking for granted that their own domestic market will remain firm and intact despite the flood of imports.

Between now and elections the American public will hear much about imports and exports, dollar shortages, trade gaps, European aid and payment plans, United States tariff cuts, and foreign quotas. Much of the confusion which some people express regarding the whole subject of foreign trade would, it is felt, be dispelled by always seeking the answer to this one question only: Is this designed to permit the foreign country to sell more to or buy less from the United States?

(Subsequently, on request of Mr. MALONE, and by unanimous consent, the following resolutions were ordered to be printed in the RECORD:)

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD the following resolution passed by the National Association of Wool Manufacturers on April 12, 1950:

Whereas it appears to be the policy of the administration to encourage imports of competitive products by reducing import duties, and otherwise; and

Whereas it is our belief that under present world conditions the United States cannot afford to become dependent upon foreign countries for its requirements for a number of products, among them wool textiles; and

Whereas the capacity of the wool textile industry in the United States is sufficient to supply all of our domestic requirements in time of peace but should be maintained at the greatest possible capacity since it was barely sufficient to meet the needs of our armed forces in World War II; and

Whereas the indiscriminate and progressive reduction of United States tariff duties under the trade agreements program has failed of its purpose by reason of the erection by other countries of trade barriers much more restrictive than the former foreign tariffs, and is resulting and will continue to result in the importation into the United States of wool products and other items in volume sufficient seriously to damage and curtail domestic industry: Now, therefore, be it

Resolved by the members of the National Association of Wool Manufacturers, assembled in annual meeting in New York, this 12th day of April 1950, That the members of this association go on record as favoring the discontinuance of the trade agreements program and further action thereunder, and, further, as favoring in place thereof the creation of a Foreign Trade Authority as provided in S. 1965, introduced by the Honorable GEORGE W. MALONE, of Nevada, said authority to be authorized to promote fair and reasonable competition between imported products and the products of domestic enterprise by levying duties upon imports from foreign sources in amounts calculated to make them fairly competitive with like items efficiently produced in this country; and further

Resolved, That copies of this resolution be sent to all appropriate persons charged with legislating for, or the administration of, our Government.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a series of resolutions passed by the Nevada Republican State Executive Committee, the Farm Bureau and the labor unions of our State.

DOMESTIC AND FOREIGN POLICY RESOLUTION, NEVADA REPUBLICAN STATE EXECUTIVE COMMITTEE, 1950 AND 1952 PLATFORM, NOVEMBER 15, 1949

The Nevada State Executive Committee passed an official resolution on November 15, 1949, offering the flexible import fee principle as a substitute for the 1934 Trade Agreements Act as amended—and called for the defeat of the International Trade Organization legislation—and for definite conditions on further gift-loans to Europe.

The resolution:

"Whereas the selective free trade policy adopted by the State Department, based upon the Trade Agreements Act, is removing the floor from under wages and investments causing unemployment and loss of taxable property; and

"Whereas the proposed International Trade Organization, consisting of 53 nations, each with one vote, to which it is suggested that this Nation assign all of its right to adjust tariffs and import fees for the protection of the workingmen and investments in the United States of America, would complete the job of wrecking our economy; and

"Whereas the policy of making up the trade balance deficits of the European nations (16 ECA nations) in cash each year without definite conditions for its utilization is simply reestablishing the century-old feud and rivalries among such nations: Therefore be it

"Resolved, That the Republican State Executive Committee of Nevada hereby adopts and recommends to the National Republican Committee for adoption an American domestic and foreign policy:

"1. A domestic (national) policy.

"A. The flexible-import-fee principle, based upon fair and reasonable competition, administered by a reorganized experienced tariff commission, to be known as the Foreign Trade Authority, in the same manner as the long established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investments, to be substituted for the 1934 Trade Agreements Act as extended. Under the flexible-import-fee principle a market is immediately established for the goods of foreign nations on a basis of fair and reasonable competition with our own—they cannot in good conscience ask for more.

"2. A foreign (international) policy—as a condition of further aid to Europe.

"A. Integrity of private investments.

"B. A United States of Europe—including Germany without trade barriers of any kind.

"C. Free convertibility of the European currencies in the terms of the dollar.

"D. Equal access to the trade of the nations of the world—subject only to the action of such individual nations; be it further

"Resolved, That the so-called bipartisan policy, including the support of the administration's three-part free-trade program has destroyed our traditional floor-under-wages policy and has contributed materially to the defeat of the Republican Party; and that the haphazard lowering of the import fees and tariffs, without regard to the differential of the cost of production due largely to the difference in living standards of this country and the foreign competitive nations, has severely injured the mining, petroleum, agricultural, textiles, pottery, lumber, precision instruments, and many other industries, thereby causing unusual unemployment and loss of taxable property; and that we are, by our own actions, removing the floor under wages and investments in this Nation and in effect transferring American jobs to foreign soil."

EXCERPTS FROM RESOLUTIONS ADOPTED AT THE THIRTIETH ANNUAL MEETING OF THE NEVADA STATE FARM BUREAU, ELY, NEV., DECEMBER 2, 1949

DOMESTIC AND FOREIGN POLICY

Resolution 17

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act of 1934, as lowering the American living standards through the lowering of wages and is causing unemployment and a subsequent decline in the demand for agricultural products: Therefore be it

Resolved, That the Nevada State Farm Bureau adopts and recommends that the American Farm Bureau Federation support a domestic and foreign policy containing the following features:

I. Foreign policy:

(a) Protection of private investments in foreign countries.

(b) Free convertibility of European currencies in terms of dollars.

(c) Consolidation of the European nations into a United States of Europe, and the erasing of all present trade barriers.

(d) Equal access to the trade of all nations of the world subject only to the action of the individual nations.

II. National policy:

(a) Set up a flexible import fee which would be based upon "fair and reasonable"

competition administered by a reorganized, experienced tariff commission in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investment. Under a flexible-import-fee principle, a market is immediately established for the goods of foreign nations on a basis of "fair and reasonable" competition with our own—other nations in good conscience cannot ask for more. By so doing, America's domestic agricultural market would be greatly stabilized and cease to be a dumping ground for world surpluses. We are a land of agricultural abundance striving to maintain a standard of living unparalleled by any other nation in the world; be it further

Resolved, That the lowering of import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this Nation and of foreign competitive nations has a demoralizing effect on our agricultural markets as well as those of other industries, thereby causing unemployment and loss of revenue to the American farmer.

PIOCHE, NEV., January 17, 1950.

Senator G. W. MALONE,
Senate Office Building.

DEAR SIR: By unanimous vote Pioche Union, Local No. 407, CIO, disapprove part 4 plan of the President which includes the International Trade Organization agreement and urge that you do everything possible to substitute flexible import fee as outlined in your talk at Pioche, Nev., on December 15, 1949.

Yours truly,

THOMAS L. HUTCHINGS,
President, Local No. 407.

EAST ELY, NEV., January 19, 1950.

Senator MALONE,
United States Senate Office Building:

We call your attention to the following resolution adopted by the White Pine County Central Labor Council. Whereas the selective free-trade policy is removing the floor from under American wages and investments, causing unemployment and loss of taxable property, and whereas the haphazard lowering of the import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this country and foreign competitive nations has severely injured the non-ferrous mining industry: Therefore be it

Resolved, That a telegram be sent to each of our national Senators asking them to do what they can toward correcting this deplorable situation.

DOUG HAWKINS,
President, White Pine County Central Labor Council.

LOCAL LODGE NO. 705,
INTERNATIONAL ASSOCIATION
OF MACHINISTS,
Sparks, Nev., September 16, 1949.

HON. GEORGE W. MALONE,
United States Senate,
Washington, D. C.

SIR: The legislative committee of Local Lodge No. 705, International Association of Machinists, Sparks, Nev., reported favorably on the matter of the flexible import fee. Whereupon the membership unanimously instructed the legislative committee to inform you that Local Lodge No. 705, International Association of Machinists, Sparks, Nev., has gone on record in favor of the flexible import fee.

The legislative committee wishes to commend the Senator for his hard work and initiative.

Yours truly,

SATIRIOS SOUKAROS,
Chairman, Legislative Committee,
GEORGE H. SHELTON,
JOHN L. ROBERTSON,
Legislative Committee.

LAS VEGAS, NEV., January 12, 1950.
United States Senator GEORGE W. MALONE,
Washington, D. C.:

We urge you to support a flexible import and export tariff bill for protection of our domestic industries and curtailment of foreign spending.

HELEN E. CRANER,
Secretary Property Owners Association, Inc., of Clark County, Nev.

Mr. MALONE. Mr. President, in summation I want to say again that it is impossible to consider point 4—the Marshall plan or ECA—the 1934 Trade Agreements Act, as extended, the ITO, or the sterling debt separately.

They must be considered as a pattern.

To stop this stupid combination, domestic and foreign policy, the flexible import-fee principle must be substituted for the 1934 Trade Agreements Act, as extended, and the President's "must" legislation—the passage of the International Trade Organization—must be stopped.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes.

TEMPORARY APPROPRIATIONS, 1950— CONFERENCE REPORT

Mr. MCKELLAR. Mr. President, I submit a conference report on House Joint Resolution 476, making temporary appropriations for the fiscal year ending June 30, 1950. The conferees were unanimous. I ask unanimous consent for the immediate consideration of the conference report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In line 9 of the amendment of the Senate, before the colon, insert the following: "; except that this proviso shall not apply to appropriations included in such bill (H. R. 8567) for "fighting forest fires", Department of Agriculture, and "Office of the Housing Expediter" but no funds may be used to pay compensation of any employee

in a grade higher than the grade of such employee on May 22, 1950, and no funds herein shall be used to pay the officers or employees of the Office of Housing Expediter for periods after June 30, 1950"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
STYLES BRIDGES,
HOMER FERGUSON,

Managers on the Part of the Senate.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,

RICHARD B. WIGGLESWORTH,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

NATIONAL SCIENCE FOUNDATION

Mr. HUNT. Mr. President, this Congress has enacted, the President has signed S. 247, and there was, therefore, created a National Science Foundation. The National Science Foundation will greatly promote the progress of science through scientific research; it will, unquestionably, advance the national health, welfare, and prosperity of this country. It will have a far-reaching effect and will do much to secure our national defense.

Mr. President, proper distribution of contracts carrying on the basic scientific research activities to all sections of this United States will cause a progressive growth and improvement of agriculture, will promote development of natural resources, markets, and economic improvements by creating new industries, and it may well provide one of the greatest challenges which American higher education has faced since the end of World War I.

In marking up the achievements of the Eighty-first Congress and the President of the United States it can well be said that we have, together, created a new, modern, forward-looking vehicle for American scientific progress.

Through future years the Eighty-first Congress and the President of the United States will be congratulated time and time and time again on their vision and determination to provide a potentially vigorous means of further accelerating development of American centers of scientific competence.

These remarks, Mr. President, and our vital concern today must be directed as to how the National Science Foundation is to be administered. For it is within the broad grant of authority set forth in the legislation that specific policy decisions can turn the program either to fulfillment of challenge or to the precipitation of a major crisis to American institutions of higher learning in some areas of the United States.

Mr. President, I will analyze and explain these elements of potential challenge and crisis. The investment of large sums of money in fundamental and applied research is going to vitally affect geographic points where scientific personnel and research facilities are concentrated.

The structure of American graduate schools will be directly and deeply affected.

Research contracts and grants will bring to particular university centers a new vitality and drawing power, both for the faculty and the student body. The general strengthening of a number of academic specialties should be a natural consequence in such institutional centers.

A short view, and I think the wrong approach, to this matter would suggest that the national welfare might best be served by giving further stimulation to the national centers of scientific competence which have already proven themselves and which, by and large, are extremely limited in number and do not represent all areas of the United States.

It is true that at such national scientific centers, in a comparatively short period of time, research by individuals and teams might begin to focus on scientific problems of a fundamental and applied nature.

However, in the judgment of the preponderance of educational viewpoint in this country, and it is my personal opinion, that such an approach to the problem would definitely be unwise.

Our principal national university centers for research are, for the most part, concentrated in the New England and middle western regions and on the west coast. Within these regions few more than a dozen institutions harbor a large proportion of America's best scientific minds, laboratories, and libraries.

Compared to these concentrations of strength, the southern universities, portions of the Great Plains area, and the Rocky Mountain region have less claim to distinction among our institutions of higher learning.

For a variety of reasons, many of the institutions in these areas have, of necessity, followed patterns of development different from those of our university research centers usually considered to be tops by national standards.

Not the least of these reasons but, in fact, the outstanding reasons for this situation have been the absence of sufficient financial resources and the lack of opportunity to work as important parts of the Nation's team of scientific personnel on research projects vital to the national welfare.

Not with any intention to be critical but to point out the unequal distribution of medical research funds granted by the United States Public Health Service for the years 1939 to 1949, we find that of total funds in the amount of \$36,500,000, that eight and one-half million, or 23.2 percent, was granted to three Middle Atlantic States, while less than two million, or 5 percent, was made available to the eight Mountain States.

And this is roughly the pattern followed in distribution of all scientific grants, both public and private.

Further inequality in the distribution of scientific research funds is noted in that while the three Middle Atlantic States received 23 percent, 9 South Atlantic States received approximately one-half that amount, or 12.6 percent.

Should a distribution of these funds have been made on the basis of number

of States involved, the south Atlantic group would have received three times the amount granted the three Middle Atlantic States.

And again we find the east north central group of States—five in number—receiving 18 percent of total funds distributed, while the East South Central States—four in number—received approximately one-fifth that amount, or less than 4 percent.

May I reiterate that no criticism is intended of the United States Public Health Service for the varying amounts contributed to States, for I realize that funds are distributed by the United States Public Health Service in close proportion to the capacity of the institutions to do research in terms of manpower, facilities, equipment, and research output.

In a report to the President on Administration for Research, volume 3 of Science and Public Policy, the President's Scientific Research Board, with reference to the distribution of physical and technological science research, I find comments, as follows:

First, this trend will deplete still further the resources of the smaller schools and firms whose contribution is essential to maintain our scientific advantage; and it will not necessarily make it possible for the larger institutions to undertake the necessary total research and teaching.

Second, it will choke off the necessary expansion and dispersal of research facilities and hinder widespread dissemination of research results. Research today cannot flourish if confined to small quarters. It cannot enjoy the benefits of cross-fertilization and intellectual interchange unless conducted on a wide and open stage.

Third, concentration of contracts may provide various undeserved competitive advantages to large contractors, including training of personnel, employment of scientists and technicians under better conditions, sharing of overhead and patent possibilities arising from Government-sponsored and financed research. This situation must also be evaluated in the light of the national antitrust and antimonopoly policy.

Finally, the national defense against the possibilities of atomic warfare and pin-point bombing call for wide geographic dispersion of essential facilities.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. HOLLAND. I wish to commend the distinguished Senator for pursuing this subject. It seems to me it is timely indeed to call the attention of the Senate and the Nation to the fact that the National Science Foundation Act of 1950 has become law, and that this interesting and, I hope, highly valuable effort in the field of science, training of more personnel, and development of greater scientific research is about to begin. However, I want to ask the Senator if he would mind my reading into the Record at this point a portion of the act itself which emphasizes the point which he has just made, namely, that it is highly desirable, as it is indeed directed by the act, that the use of the very considerable funds provided and the very considerable program inaugurated by this act shall not in any way contribute to the present concentration, but shall eliminate such concentration so far as possi-

ble by giving emphasis to the dispersion of research and technical facilities throughout the Nation. Would the Senator object to my making this insertion in the Record at this point?

Mr. HUNT. I shall be very happy to yield to the Senator from Florida so that he may make such an insertion in the Record at this point in my remarks.

Mr. HOLLAND. I thank the Senator. The part of the act to which I had reference is subsection (b) of section 3 of Public Law 507, which is the National Science Foundation Act of 1950. It reads as follows:

In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen the basic research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

I thank the Senator, because it seems to me very clear that the Congress in the passage of this act was giving a mandate to the new Board, which will soon be set up by appointment of the President, to eliminate concentration among the institutions of learning, and the other institutions which at present carry on scientific research and education, for the excellent reasons which the Senator has already given.

Mr. HUNT. I thank the Senator from Florida.

During World War II the burden of university research in America was borne by New England and middle western institutions. The process of further concentration of scientific competence and facilities in these particular areas was, therefore, greatly accelerated.

Even since the war this trend of concentration has continued in the awarding of research contracts by the Federal Government, and may I direct the attention of the Senate and the attention of the yet to be named National Science Board and its Director, whoever they or he may be, that at this very moment a few well placed atomic bombs could deliver what might be a fatal blow to American scientific potential.

Yes, Mr. President, a major part of our scientific leadership and facilities could thus be entirely destroyed.

So I suggest to the National Science Board, and its Director, Mr. President, that in the long-range view, and I am sure the view of the majority of educators in the United States, the proper administering of the National Science Foundation would seem to call for finding a way of systematically building university scientific centers in each of the major regions of the Nation.

Such a policy may make the problems of the Foundation somewhat more complex, and in some fields of scientific endeavor the accomplishments may come more slowly. But again, Mr. President, from the standpoint of national defense alone, the justification of the policy of regional decentralization of scientific centers is obvious. I think, also, that no less important than this are other obvious benefits which would accrue, namely, there would result a general, a

Nation-wide stimulation to scientific, economic, governmental, and social life in each major region of the Nation.

It would then follow that these strengthened institutional centers would undoubtedly attract additional research contracts from industry in their service areas.

State legislatures and the lay public would begin to see the merits of more liberal investment of funds for research in their own universities and thus a considerable impetus would be given to the over-all pursuit of scientific knowledge.

Obviously one of the major purposes of the National Science Foundation Act is to create an adequate supply of highly trained individuals to insure the Nation's future research and scientific leadership. The scholarship program of the Foundation will do much to achieve this objective.

It is the contention of leaders of higher education, and several studies show, that students are more likely to seek opportunity for scientific training when it is available within reasonable distance of their homes. Therefore, it follows that one of the greatest benefits of decentralizing our scientific centers will be in the attracting to scientific institutions of a greater number of our youth who will become our scientists of tomorrow. Throughout each major region our college-age youth will have the increased stimulation and opportunity to go into science as a career.

So again, Mr. President, I further emphasize and reemphasize the fact that outstanding professors, and improved laboratories and libraries, will be more readily available to turn the new-found interest of young citizens into scientific competence.

Greater thought and study given to the establishment of the National Science Foundation lead one to readily see that this new independent agency and executive branch of Government can become, and I am sure it will become, a magnificent instrument for stimulating a great forward movement in American science.

This far-reaching program and forward movement will require new Nation-wide team work between Federal and State Governments and privately endowed institutions. Institutions in each major region will need to cooperatively assess their own potentialities for serving the Nation and its people.

The National Science Foundation, through the appropriate national associations representing various interests of colleges and universities, could thus combine national needs for scientific development with voluntary and cooperative planning among institutions in each of the major regions.

Now let us have a look at this proposed team work between State and Federal Governments from the point of view of a State. The support of higher education has always been primarily a State responsibility, even though the Federal Government has made, and continues to make, lasting and significant contributions to supplement State effort, and indeed a Federal program of scientific research is necessary and required because this represents an area in which

State planning alone and State financing alone are not sufficient to meet the requirements of the Nation.

From 16 years' experience in State administration I am sure that at the State level few institutions and certainly only the most wealthy can now, or in the foreseeable future, hope to obtain top achievement in more than a small number of advanced areas of scientific research and graduate training. Financial limitations in most States stand as a barrier. Even if the money were available, the existence of highly qualified scientists is sufficiently limited to make impossible top flight centers in every State.

Excellence in research requires excellence and sufficiency of scientists and facilities. This is expensive, far more expensive than the average layman realizes. It costs more money than many of our educators realize, judging by their willingness to attempt the duplication of expensive facilities for research and graduate training.

For these reasons groups of States with common resources and problems should plan to jointly develop, use, and finance institutional centers of scientific endeavor. Through such actions State funds could be channeled more effectively into upgrading advanced research and scientific training centers.

I compliment the States of the South who have pointed the way and have taken steps in this direction, as have, but to a lesser degree, the States of the far West; and only recently the Rocky Mountain States are adopting such a policy.

In the States in the Rocky Mountain area, of which my State is one, our legislature provided appropriations for paying the cost per student for a limited number of Wyoming boys admitted to schools of medicine and dentistry in other States. In this Rocky Mountain area, from the Canadian border to the Mexican boundary, there are 10 States and 10,000,000 people with no dental school, and until recently only one medical school.

Twenty thousand young men were deprived of the opportunity to study medicine and dentistry in the United States last year because of the inadequacy of the existing medical and dental schools.

This is a condition which must be corrected, for the State and the Nation have fully as great, if not a greater obligation, to make it possible for young men to study medicine and dentistry than they have to make available apparently all facilities needed for the teaching of any other profession or occupation.

Regional cooperation is, on the one hand, a means of systematically planning for national decentralization of scientific effort and teaching. On the other hand, it provides a means for concentrating State resources by agreeing on more effective, scientific specialization among institutions within a region.

Such action is a necessary part of building a strong national system of higher education through the appropriate teamwork of the States and Federal Government.

Mr. President, I hope the National Science Foundation will be, and in fact

I think it must be, a sympathetic partner of the States in helping to build their own educational resources into strong centers of scientific accomplishment.

The careful exploration of matters which I have attempted in these remarks to bring to the attention of the Senate and the attention of the National Science Board should yield effective means of furthering that partnership, for without such action as I have suggested we may contribute to precipitating a crisis in the national pattern of higher education, especially in the professional schools already hard-pressed for finances, personnel, and facilities.

Mrs. SMITH of Maine. Mr. President, will the Senator from Wyoming yield?

Mr. HUNT. I yield.

Mrs. SMITH of Maine. The junior Senator from Maine is very much interested in all the junior Senator from Wyoming has been saying, especially with reference to decentralization of some branches of the science research. The junior Senator from Maine has a few questions which she would like to have answered for the record. I am sorry I was not able to be present earlier, but was detained in committee. Some of the matters I wish to bring out may be repetitious. I hope the Senator from Wyoming will bear with me.

Mr. HUNT. I shall be glad to try to answer any questions the Senator from Maine may desire to ask.

Mrs. SMITH of Maine. Would not the further trend toward centralization of higher education and progressive science deplete still further the resources of the smaller schools and of the institutions whose contribution is essential to maintain our scientific advantage?

Mr. HUNT. I would say to the Senator from Maine that there can be no question about that, because as our already large universities become larger they naturally need additional scientifically trained personnel. Such personnel by and large is being trained in the smaller universities throughout the country. Thus, on the one hand, we are depleting scientific personnel in many areas and adding it to just a few, still furthering the unequal distribution.

Mrs. SMITH of Maine. Then the Senator from Wyoming would say also, perhaps, that it would choke off the necessary expansion and dispersal of research facilities and hinder the wider dissemination of research results?

Mr. HUNT. I think in the long run it would do so to a very great extent, because the young men and the young women throughout the country who will be the scientists of the future will not have the opportunity or will not take advantage of an opportunity to go to distant points for scientific research. They would not do so to nearly the extent to which they would avail themselves of such opportunities if they were close at home.

Mrs. SMITH of Maine. Will the Senator from Wyoming repeat, perhaps for emphasis, what he said about research flourishing in the smaller areas if given an opportunity?

Mr. HUNT. I did not quite understand the question.

Mrs. SMITH of Maine. Will the Senator restate what he said in his speech, as to the chance of research in the smaller areas flourishing, increasing, progressing, and accomplishing results, if given the opportunity?

Mr. HUNT. I think without a question of doubt my remarks were to the effect that there would be a tremendous increase in the number who would avail themselves of scientific research studies if we had a greater distribution of such facilities. Does that answer the question?

Mrs. SMITH of Maine. That answers the question very well.

The Senator from Maine would like to ask if the concentration of contracts would not involve the risk of providing various undeserved competitive advantages to the large contractors? In these days when we are thinking so much about helping small business, would it not be possible to give them some of the advantages of the research?

Mr. HUNT. I may say to the Senator from Maine that the sole purpose of the junior Senator from Wyoming in taking the time of the Senate this afternoon is to emphasize to the future National Science Foundation Board the thought that the rest of the Nation must not be forgotten in awarding of the scientific research contracts. As I stated a while ago, nine States in one group are receiving 8 percent. Another group of three States is receiving 23 percent. One group of States has received only 3 percent. In the Rocky Mountain area we have received only 5 percent. During the war—and I have no criticism of this; I simply want to show what happened during the war—77 percent of the Navy contracts were concentrated in 11 institutions. Hundreds of institutions throughout the United States had no opportunity to participate.

Mrs. SMITH of Maine. Would the Senator from Wyoming agree with the Senator from Maine that this situation must also be evaluated in the light of the national antitrust and antimonopoly policy?

Mr. HUNT. I think so, I may say to the Senator from Maine, for the reason that industry in the closest proximity to where scientific research is completely and successfully carried on has the first opportunity to avail itself of such research, and therefore it does definitely lead to a monopoly in the usage of scientific developments in that particular area.

Mr. LEHMAN. Mr. President, will the Senator from Wyoming yield?

Mr. HUNT. I yield.

Mr. LEHMAN. In view of the questions asked by the Senator from Maine—and I will say I have full sympathy with the statements made by the Senator—would it not possibly be wise to emphasize again the fact that the act provides for a very wide geographical division of the 24 directors of the Foundation? I happen to have been one of the members of the conference committee on the part of the Senate, and the point very definitely emphasized at all the meetings of the conferees was the desire that this undertaking be not local in character

but truly national in character, and it was felt that it would be, because the act definitely mandated the President to make his appointments based on geographical as well as scientific divisions.

Mr. HUNT. If I may answer the distinguished Senator from New York I will say he is quite right. That wording is in the report. It is also spelled out in the act. The junior Senator from Wyoming will have something to say about it a little later in his remarks.

Mr. HOLLAND. Mr. President, will the Senator yield for an observation?

Mr. HUNT. I yield.

Mr. HOLLAND. I want to emphasize the point just made by the distinguished Senator from New York, and, if I may, I should like to read into the RECORD at this time that portion of the act which specifically spells out the very point the Senator from New York has mentioned. Referring to the members of the Board of the National Science Foundation, the act reads as follows:

The persons nominated for appointment as members (1) shall be eminent in the fields of the basic sciences, medical science, engineering, agriculture, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, the Association of Land Grant Colleges and Universities, the National Association of State Universities, the Association of American Colleges, or by other scientific or educational organizations.

I simply wish to call attention to the fact that not only is it made clear that the persons to be appointed must be persons of great distinction in this field, but also they must be chosen on the basis of geographic dispersion. It seems to me that to an extent greater than in the case of any other act which has been passed by the Congress, at least since I have been a Member, this act departs from the recognized constitutional provision under which the Congress cannot impose upon the President of the United States any fixed limitation in respect to the making of nominations for appointment. The act in question does not seek to impose limitations, but it makes a definite request, in these words, "The President is requested, in the making of nominations of persons for appointment as members, to give due recognition" to the various groups and schools and scientific boards and agencies so that the very best people to lead this great, vital effort may be chosen.

Mr. President, if the Senator will yield for an additional observation, let me say that I hope every learned society and every group of colleges and universities will be advised that under the terms of this act they are invited to submit to the President the names of distinguished scientists and educators upon the basis of their distinction and also on the basis of the further fact that they should come from various sections of the Nation.

Mr. President, I appreciate the remarks the Senator from Wyoming has

made and the compliments he has handed to the Southern Organization for Regional Higher Education, which has made great progress, and bids fair to make much more progress.

I wish to say, for myself, that no political suggestions will be made by me or, I am sure, by anyone from the southern area, but I shall hope that through the southern group of colleges and universities and through the Southern Regional Organization for Higher Education certain suggestions may be made to the President based upon the very high standards stated in the act itself, in the belief that our part of the Nation and its distinguished educators have a part which they will be proud to play in this great national effort.

I thank the Senator.

Mr. HUNT. I thank the Senator from Florida for his contribution.

Mrs. SMITH of Maine. Mr. President—

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Maine?

Mr. HUNT. I yield further to the Senator from Maine.

Mrs. SMITH of Maine. Will the Senator from Wyoming yield for an observation, as well as a question?

Mr. HUNT. Certainly.

Mrs. SMITH of Maine. Mr. President, at this time I wish to join in the sentiments expressed by the junior Senator from Wyoming, and to commend him for his alertness and his fairness in connection with this entire matter. It is most essential, I quite agree, that the development of progressive science should be encouraged throughout the country, rather than be centered in a few large educational institutions.

Although I realize the law specifies that there shall be wide distribution, yet of course it is very much easier to center activities where the equipment and the facilities and the personnel are.

It seems to me that national defense against the possibilities of atomic warfare and pin-point bombing clearly call for wide geographic dispersion of essential facilities; and I wish to join with the Senator from Wyoming in doing everything I can to help bring that about.

Mr. HUNT. Mr. President, I thank the Senator from Maine. There is no Member of the Senate whom I would rather have comprehend this problem than the Senator from Maine and I am glad she has given it the force and effect of her stature and personality.

Mr. President, imaginative action on the part of the National Science Foundation and its other associated private agencies on the national level cannot fail to meet the great challenge in scientific development which lies ahead.

In conclusion, Mr. President, it is my hope that the 24 members of the National Science Board, responsible for policy making, and as directed in the act, "shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation."

I have just quoted the language of the act, and it was also referred to by the distinguished Senator from New York, and has been emphasized by the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, will the Senator yield to me for a moment?

Mr. HUNT. I yield.

Mr. HOLLAND. I should like to observe that it seems to me that at this time, when our Nation apparently is about to set forth upon the effort, under the President's point 4 program, to aid in technical training and the furnishing of technical skills and scientific information and assistance to the underdeveloped areas of the world, not just in this Nation, particular emphasis can be and should be properly placed on the fact that we need to develop more scientifically trained persons of our own. The best we have will not be enough to live up to the world need. I believe that in this program there lies a chance to enlist the facilities of the great institutions of learning throughout the Nation and to offer opportunity to those youths throughout the Nation who may have particular genius or capacity in the field of scientific research and learning.

May I say to the Senator that ability and genius and ambition to do great things and new things in untried ways does not exist on a basis of State or regional lines, but there are just as likely to be found in the most remote spot in our Nation as in our great centers of population young Americans who will be attracted by the chance to serve their Nation and mankind by engaging in various scientific careers.

I hope this particular effort will be emphasized as one in which the Nation is seeking ambition and talent and is trying to develop the latent genius of young Americans who, if developed along scientific lines, may render great service not only to our Nation but to all mankind.

Mr. HUNT. Again I thank the Senator from Florida for his worth-while contribution.

In commenting on where unknown and undiscovered scientists may be found, I should like to say that when Thomas Edison, while a telegraph operator on a side track, so to speak, away out in Carbon County, Wyo., years and years ago discovered and developed and perfected the simultaneous transmission in opposite directions of messages on telegraph lines.

Specifically, therefore, in awarding grants and fellowships for research the Foundation will serve scientific advancement best and fulfill the purposes of the act by distributing its aid and assistance in such a way as to stimulate discovery and strengthening of education in all areas, and particularly to the smaller and less developed States.

Grants and fellowship awards only to the larger institutions with proven research success deprive the smaller schools and younger investigators of the opportunity to contribute, and may well deprive the Nation of the research views of many who cannot, or who do not, choose to go to the well-established centers.

Mr. President, the Congress and the President of the United States, except for the appointment of the Board, have completed their work and they turn to the Board a vehicle for the advancement of science in this Nation, the possibilities of

which have never been remotely equaled in this or any other nation, and if the Board, in its wisdom, sees fit in administering the act to include all areas of our great country in the various grants and scholarships at its disposal it will accomplish a great forward advancement in scientific research and development which the Congress expects and looks confidently to it to accomplish.

WINNING THE COLD WAR—VI

Mr. FLANDERS. Mr. President, in a colloquy on this floor a few weeks ago, I mentioned the fact that I had written a letter to General Marshall, then Secretary of State, offering suggestions for bettering the Chinese situation, which was then deteriorating rapidly. It may be worth while to read it into the Record at this point, since there are some lines of parallelism between conditions in great China then and little Indochina now. I proceed with the letter:

DEAR MR. SECRETARY: As a graduate member of the Business Advisory Council I was privileged to attend the dinner last evening and listen to your satisfying frank discussion of the Chinese situation. Of course, the satisfying thing about it was your frankness. The situation itself is incredibly difficult.

I have the temerity, nevertheless, to pass on to you some vague thoughts which have been going through my mind.

Would it be possible to clear a restricted area of China of Communist military strength and mark off that area for assistance and reconstruction? It might be from the Yangtze River south or perhaps an area of 50 to 100 miles north of the Yangtze might be included. If transportation, supporting coal mines, and cotton textiles, for instance, could be reconstituted in that area, it would form a basis for reviving normal living for many millions of harassed people.

The difficulties are obvious. It would require close supervision on our part to make sure the assistance is not poured down the military rat hole. It would be difficult to get such supervision to be politically acceptable to the Chinese Government, and it would be difficult to recruit and organize the necessary supervision. Recognizing these difficulties and others which your experience would suggest, it might still be considered as one of the faint hopes in the Chinese situation.

General Marshall's reply was in friendly terms but noncommittal. I quote:

DEAR SENATOR FLANDERS: Thank you for your kind letter of June 12, 1947, in regard to the problem of assistance to China.

The suggestions you make in regard to the demarcation of certain areas in China where we could concentrate American assistance for purposes of reconstruction are very pertinent ones. The Department has had under consideration a program such as that outlined in your letter, but has found itself confronted with some very obvious difficulties, including those mentioned in your letter, which would be involved in carrying out a program of assistance of this kind.

Regardless of such difficulties, some of which are common to any program for assistance to China, your ideas on this subject merit the continuing attention and consideration of the Department. You may be assured that in our attempt to find some means of assisting China they will not be overlooked.

If the idea, or any similar idea arising in the Department or coming from the outside, were ever seriously considered,

no evidence ever appeared in the form of action. Certainly not the whole, and almost as certainly no smallest part of the plan was ever undertaken.

In form, the situation resembled that which we were facing in Greece at about the same time. In both cases we were seeking to aid a people whose government was not at all satisfactory to deal with. In both cases the country was ravaged by bands of guerrillas armed and organized from the outside. In both countries the miserable, suffering population was divided in its sympathies, but longing far more for peace and a chance to produce than for either the existing order or the foreign ideology which were grinding them between the upper and nether stones.

In Greece, despite difficulties and false moves, we have achieved a fair measure of success. In China, with no such plan of action, we have failed miserably. Admittedly the problem was more difficult. For one thing, it was much bigger. For another thing the failings of the Nationalist Government were much more deeply rooted in the history and customs of the country. The Communists won over the people on promises of agrarian reform and peace. There was an opportunity to persuade the Nationalist Government, with our active assistance, to offer performance of peace and peaceful production to expanding areas of that unhappy country. If we made the effort, it is not recorded. If we made the effort and failed to get acceptance, at least our consciences would now be clear in the matter.

And now comes Indochina. Within the many differences, certain parallels with the Chinese and Greek situations may be discerned. Once more the aggression is inspired from without. Once more its strength seems to rest on popular dissatisfaction. Once more endless military engagements lead to no decision, even though the armies of one of the great powers are engaged.

Here again there would seem to be an opportunity to clear up and protect from guerrilla attack the most highly productive areas of the country. This applies to the cotton areas, among others, but above all to the rice areas. These products have immense importance to the people of eastern Asia and to the Indo-Chinese themselves.

Along with clearing and protecting these limited productive areas must go a campaign of benefit to the people. A talk with an ECA friend who was on the recent mission to that land has led me to believe that the most useful, the most appreciated and the least expensive service we can render the people would be a medical mission. This would not involve building, equipping, staffing and operating hospitals. Something more simple, something more widespread is needed. There is, literally, no medicine in rural Indochina. What there was no longer is. These basic medical missions should serve the recovered and protected areas. They should follow close behind the armed forces in every advance. The native people should have this good reason to be glad when the French armies appear.

Another opportunity may lie in improving the agriculture of this region. The traditional cultivation of the rice paddies is so long established and peculiar to that crop, that not much immediate improvement could be managed. But with the cotton at least, and with other crops, there are the same advantages to be gained which were gained by the Russians in their improvement of the agriculture of north China. Again, as in the medical mission, this is not a question of tractors and modern agricultural apparatus. Improved hand implements would go a long way.

What is needed is agricultural missionaries along with the medical missionaries. As always and as everywhere, the men under the command of the Politburo make themselves initially acceptable to the people of the region, no matter what their ultimate objective or their ultimate relationships may be. They know enough to know that military subjection will not work in this area. The question is, Do we know as much as the Soviet authorities? That question will be answered not by argument and debate but by results. If we succeed in making our appearance a welcome event to the people of Indochina, we shall have learned the lesson. If we do not succeed, our cause is lost.

Again we find a parallel in the possibility that it may be difficult to persuade the French authorities of the wisdom of such policies and such assistance. Yet they, and we, grossly misread the lessons of the modern world if we continue to act in the belief that a military victory can hold a territory or engage the allegiance of a people. In these days in which we live armies can defend only territories and people while the positive steps of economic recovery and unforced popular support are being generated. For our age peace can be attained by no other means.

In drawing a parallel between this situation and that which was met by the loan to Greece, we must admit that the political situation is much more difficult to handle. We must persuade ourselves and the French Government jointly that purely military operations will never succeed. We must persuade them and ourselves that only popular support will succeed. We must persuade them and ourselves that the slow task of finding and developing native administrative ability has to start at once. All this is difficult. It may seem to be almost impossible. In fact, it is the only possible way to success, and we must proceed with this knowledge and in this spirit.

Economic forces work in our favor. The surplus food produced by a peaceful Indochina is badly needed by Japan. That country, in turn, can easily provide the consumer goods which Indochina is not equipped to produce. How much better, how much more natural, is this interchange up and down the coast of Asia than is the attempt to force markets for Japanese industry into our own competing industrial population? Why are we so blind?

Indochina is the focal point today in the offensive of the men of the Politburo. If they win, the great surplus of rice goes

to the Communists. If they win, the strongest dike against the southward sweep of the Communists has been breached, southeast Asia and Malasia are lost, and Burma and India are tottering to their fall.

Mr. President, the Communists need not win.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

Mr. CONNALLY. Mr. President, we have been debating the bill which is the subject of the conference report for a considerable period, and I anticipate that there will be more speakers in the future. I should like to offer a unanimous-consent request and have it read from the desk.

The PRESIDING OFFICER. The clerk will read the unanimous-consent request.

The Chief Clerk read as follows:

Ordered, That on the calendar day of Thursday, May 25, 1950, at the hour of 4:30 o'clock p. m., the Senate proceed to vote, without further debate, on the question of agreeing to the conference report on the bill (H. R. 7797) to provide foreign economic assistance; that the Senate at the conclusion of its business today take a recess until 11 o'clock a. m. tomorrow (May 25); and that the time between 11 a. m. and 4:30 p. m. be divided as follows: 2½ hours for those favoring the report and 3 hours for those opposed thereto, to be controlled, respectively, by Mr. CONNALLY (Texas) and Mr. MILLIKIN (Colorado). (May 24, 1950.)

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, before my colleagues vote on the ECA conference report, which will be at 4:30 tomorrow afternoon, I feel it my duty to point out how desperately we need to know more about the sweeping delegation of power included under the provisions of point 4, in this ECA authorization act.

No one has more clearly stated the need for more study of this matter than my colleague, the Senator from Massachusetts [Mr. SALTONSTALL] in his discussion of point 4 April 28, 1950, when he brought home to all of us what a complicated mess we are in so far as our international hand-out schemes are concerned.

These schemes have become so involved that neither the American taxpayer, nor the Members of the United States Senate, know where we stand.

I want to recall the words of the Senator from Massachusetts in his speech of April 28 to prove this point:

The junior Senator from Michigan [Mr. FERGUSON] had the foresight last August to ask the Director of the Budget to secure information for him concerning United States technical assistance and exchange programs for certain other foreign expenditures.

I call attention at this time to the fact that it took the Director of the Budget 5

months to gather the material and to reply to the Senator from Michigan on February 8.

This, I think, might well be traced to the fact that many different agencies of the Federal Government are involved in one way or another.

I have been endeavoring to reconcile the figures the Senator from Michigan received and which he was good enough a few days ago to read into the RECORD of the Subcommittee on Appropriations for State, Commerce, and Judiciary with other figures which have been furnished me.

It is extremely difficult.

Mr. President, not only are we not able to get a clear and honest picture of the extent to which we are already underwriting point 4 projects, all over the world, but we still are bombarded with propaganda which continues to justify point 4 as another innocent addition to our foreign hand-out schemes in face of the fact that this point 4 program has been smuggled into ECA for wholly different reasons.

We should remember, Mr. President, that point 4 is tacked onto a program which is supposed to die in 1952, the ECA program.

First, Mr. President, I can see no reason for us to ignore the obvious intentions of our present Secretary of State as to what he intends to encompass under this point 4 provision.

On January 12, 1950, Dean Acheson delivered an address before the National Press Club.

During the question period that followed, Mr. Acheson attempted to lump all the questions which were asked into one big bundle, and answered them by saying:

I have tried to talk about what we have done in the past and what we intend to do so far as we can in the future.

What I have said, I think, indicates a continuity of effort and a continuity of principle.

We are hoping to get from the Congress broader and wider powers and more support to do what we have been doing more vigorously.

The President has a fund of \$75,000,000 which is available.

We are asking Congress under the point 4 program for authority and further funds and we are going ahead along the lines that we have gone ahead in the past but we hope with greater power and greater resources and greater funds.

Second, Mr. President, we know that Mr. Gordon Gray has been appointed by the President and a special policy group in the State Department has been appointed by Mr. Acheson, to draft a program to take over where ECA leaves off in 1952.

It is perfectly obvious that the projects anticipated under point 4 will form the basis for this new international scheme when ECA is formally terminated.

Third, Mr. President, during the past few weeks our Secretary of State has been in London, forcing an agreement with Atlantic Pact powers to draw into one over-all program our economic, financial, and military aid.

This program also, for the first time, attempts to relate what our right hand has been doing in Europe, with what our left hand has been doing in the Far East.

Today, I believe, Mr. Bevin has announced that England is going to seek

recognition for Communist China in the United Nations, and yet Mr. Acheson just left London, where he had worked out an over-all program which will involve our economic, our financial, and our military aid.

Fourth, this new adventure in total diplomacy will saddle us with a whole new series of economic and financial burdens at the very time when Mr. Walter Lippmann warns us we are so far overextended and we have promised so much more than we can possibly deliver that our whole foreign policy is threatened with collapse.

Fifth, Mr. President, I want to give my colleagues a clear picture of how staggering these new involvements and financial burdens will become if we blindly underwrite point 4 by dragging it by the heels into this ECA authorization.

February 13, 1950, the New York Times commented on President Truman's inaugural address and his plea for point 4, by asking, "Why was President Truman so concerned about improving conditions in underdeveloped countries?"

The New York Times went on to say:

The fact is that the age-old poverty and misery of the masses of these areas have been aggravated by new conditions. First, living conditions have grown shockingly worse. Next, the people of Asia, the Far East, the Middle East, Africa, and Latin America . . . are learning for the first time how wretched they are. Practically the whole underprivileged world is seething with unrest.

Mr. President, to get a picture of how staggering and impossible the task is which the administration is asking us to assume under the point 4 program, I want to read the following facts into the RECORD from a report to the Foreign Policy Association by Harold H. Hutcheson:

The underdeveloped areas contain about three-quarters of the world's population, which is about 2,200,000,000 people. Yet they conduct only about 13 percent of world trade. They account for less than 8 percent of the world manufactures. The average person in these areas uses each year \$7 worth of factory-made goods, compared to \$104 worth elsewhere in the world. The average income is about \$100, compared to \$1,300 in the United States. Two-thirds of the people depend upon agriculture for a living, compared to about one-fifth in the United States. Yet production per acre is the lowest in the world. Their soil is overworked and they lack fertilizer, water, farm machinery, and transportation. Sanitation and health standards are extremely low. Some of the countries are the most densely populated on earth. An official of the United Nations' Food and Agriculture Organization estimates that in order to provide a normal diet in 1960 the food supply would have to be increased 90 percent, taking population growth into consideration. The governments must spend what money is available to import necessities and thus have no opportunity to build up their productive facilities. For revenue practically all of them have to depend on commodity taxes. An income tax is impossible, since the mass of the population has less than a subsistence income.

That is a picture of the situation we are supposed to correct, in addition to all the other things we are asked to do all over the world.

Sixth, I believe it is time that the United States Senate realized the implications of how point 4 fits into the communistic blueprint for the destruction of the western world. I am convinced from the evidence which I am about to introduce into the RECORD that point 4 is not only part of the communistic plan to force America to spend itself into bankruptcy and into financial destruction, but point 4 also cannot be dissociated from the tragic collapse of America's interests in China.

On April 27, 1950, before the Senate Foreign Relations Subcommittee, Mr. Earl Browder, jailbird, perjurer, traitor, admitted that he had served as an intermediary between the Communist forces in China and President Roosevelt. Mr. Browder said in a shocking commentary that went unchallenged:

I assume this information played a decisive role in reforming the American position in China.

Mr. President, here is a jailbird, perjurer, and traitor acting as an emissary between our Government and China, and he says:

I assume this information played a decisive role in reforming the American position in China.

That is a portion of the testimony he gave before the Foreign Relations Subcommittee. That statement, Mr. President went unchallenged.

At the same time Mr. Browder went far out of his way to clear Owen Lattimore of any Communist connections. I do not think it is difficult to understand why. So far as I am concerned, it does not make any difference whether these men charged by the Senator from Wisconsin [Mr. McCarthy] with being Communists are actually card-carrying Communists because I am going to introduce into the RECORD shocking evidence of how far these men have gone to sabotage President Roosevelt's plain directive to support Chiang and the National Government at all times, and to sell America and China down the river into the hands of Russia.

Why, then, would Earl Browder want to admit that this is what men like Mr. Owen Lattimore and Mr. John Service and others had done? Would he want America to stop playing the Communist game, in which there is far more at stake than China. China is gone.

Mr. President, I ask that at this point in my remarks I may insert in the RECORD a radio broadcast from Moscow made on December 27, 1949, entitled "Stalin Foresaw Designed China Victory." I wish to have it inserted at this point in the RECORD.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

STALIN FORESAW DESIGNED CHINA VICTORY (Talk by Yurev)

In its long road—reaction at home—the Chinese people have won a great historic victory as a result of which the Chinese People's Republic has been set up. The main source of inspiration in this struggle has been the heroic Communist Party of China armed with the teachings of Lenin and Stalin. Mao Tse-tung in his article on the Dictatorship of the People's Democracy indicated that the

Chinese have accepted Marxism as a result of its application by the Russians.

Before the October revolution the Chinese were not only ignorant of Lenin and Stalin, they were also ignorant of Marx and Engels. "The broadside of the October revolution carried to us Marxism-Leninism."

In their classics Lenin and Stalin showed that the national colonial question is a part of the question of the proletarian revolution and the dictatorship of the proletariat. Stalin teaches us that colonial and dependent peoples are transformed from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat. This statement is fully confirmed by the entire experience of the struggle of the oppressed peoples for their emancipation. Stalin gave particular attention to the Chinese antifeudal and anti-imperialist revolution.

STALIN AID SURPASSED ANGLO-UNITED STATES ARMS

In his historic works written in 1925 and 1927 exclusively on the subject of the revolution in China, Stalin created a well-reasoned theory concerning the Chinese revolution. The entire world armed the Chinese proletariat and its vanguard the Communist Party with a mighty weapon immeasurably stronger than guns or aircraft with which the American and British imperialists armed their Chinese puppets. Stalin revealed the main laws governing the victory in China. He gave important advice to the Chinese revolutionaries, transmitted to them the wealth of experience of the All-Union Bolshevik Party.

Stalin rendered invaluable aid to the Chinese Communists in their struggle against the right-wing and left-wing opportunists seeking to cause the Chinese Communist Party to deviate from the Lenin path.

The greatest service of the nucleus of the Communist Party of China which rallied itself around Mao Tse-tung is the fact that it defeated opportunism and headed the struggle of the Chinese proletariat for the victory of the people's revolution. Stalin revealed the characteristic of China as a semicolonial country which the capitalist hierarchy combined with the domination of the remnants of feudalism. Stalin showed the links between imperialist domination and the maintenance of the oppression of the feudal remnants.

Stalin indicated the peculiarity of the combination of the domination of feudal remnants with the existence of commercial capital in the Chinese countryside with the simultaneous maintenance of feudal medieval methods of exploitation and oppression of the peasants. Stalin moreover noted that the oppression by the feudal remnants . . . by that of military . . . bureaucracy while imperialism maintains and strengthens this feudal bureaucratic machine. Stalin exposed the American, British, and Japanese imperialists as the organizers of the intervention in China, showing that intervention is by no means confined to troops and that the introduction of troops by no means forms the main characteristic of an intervention.

INTERVENTION IN FORM OF CIVIL WAR

As early as 1926 Stalin emphasized that under present-day conditions imperialism prefers to carry out intervention by organizing a civil war in the dependent countries, financing counterrevolutionary forces and giving moral and financial support of the Chinese agents against the revolution. Stalin noted that the Chinese revolution is the union of two streams of the revolutionary movement: the movement against the feudal remnants and the movement against imperialism. Stalin indicated that the Chinese Communists must take into account national peculiarities and make use of the smallest opportunities to provide the proletariat with

a mass ally, even if temporary and unreliable, and to be guided by the axiom that for political upbringing propaganda and agitation alone are insufficient, that the masses' own political experience is essential for this.

Stalin showed that the Chinese proletariat and its Communist Party can and must establish a stable union with the bulk of the peasant masses, can and must pursue joint activity with the national bourgeoisie and the small urban bourgeoisie while these classes oppose the capitalist and feudalist domination. It was on this basis that the national united front was formed in 1924.

STRUGGLE WITHIN UNITED FRONT

At the same time Stalin pointed out that inside this united front there will be a struggle for . . . in the revolution between the proletariat and the national bourgeoisie. Stalin predicted two ways of development of the Chinese revolution. Either the national bourgeoisie will smash the proletariat by making a deal with imperialism and together with it will make an attack against the revolution so as to end it by establishing capitalist domination; or the proletariat will sweep away the national bourgeoisie, strengthen its hegemony, and lead in its wake the millions of workers of town and country so as to overcome the resistance of the national bourgeoisie, achieve complete victory of the bourgeois democratic revolution, and then gradually lead it onto the road of a Socialist revolution with all the inherent consequences.

1927 BOURGEOIS-IMPERIALIST DEAL

As is known, in 1927 the Chinese national bourgeoisie made a deal with imperialism. The revolution suffered a temporary defeat, the united forces of imperialism and domestic reaction proved for a time stronger than those of the Chinese revolution. The Trotskyite and Zinovievist enemies of the people despaired at the temporary defeat of the Chinese revolution.

Stalin gave a devastating reply to these agents of imperialism arming the Chinese revolutionaries with the prospects of further struggle for the liberation of the Chinese people. In the political report of the Central Party committee to the fifteenth congress of the All-Union Bolshevik Party Stalin pointed out: "The fact that the Chinese revolution has not yet brought about a complete victory over imperialism is of no decisive importance to the ultimate prospects of the revolution. Generally great popular revolutions never triumph fully in the first round. They grow and strengthen in a series of ebbing and flowing tides. This principle has always applied, including in Russia, and this is what will happen in China."

This prediction was entirely borne out by history in the heroic struggle of the Chinese people. Emerging from the severe test of the civil war between the years 1928-36, the anti-Japanese war of 1936-45, and finally the liberation war against both the American imperialism and the Kuomintang reaction, the great Chinese people achieved its historic victory. The people's revolution proved itself to be immeasurably stronger than the reactionary bloc of the Chinese feudalists and American imperialists.

NEW UNITED FRONT DIFFERENT

Under the new conditions which arose in China following the Second World War and the intervention of American imperialism, the vanguard of the Chinese proletariat contrived once more to establish a united democratic front. This front includes not only the peasant masses but also the small urban bourgeoisie and the national bourgeoisie. The difference, however, between the present united front and that of 1924-27 lies in the fact that at present the question of its hegemony has been finally solved: The

proletariat, around which have rallied the bulk of the masses of the Chinese peasants, has assumed undivided leadership in the victorious struggle of the Chinese people against imperialism, feudalism, and capitalist bureaucracy.

As early as 1926, Stalin showed clearly the inevitability of the establishment of the hegemony of the proletariat in the Chinese revolution. If the main sections of industry are concentrated in the hands of foreign imperialists, said Stalin, the big national bourgeoisie of China cannot but be weak and backward. It follows from this, however, that the role of the initiators and leaders of the Chinese revolution, the role of leader of the Chinese peasantry must inevitably go to the Chinese proletariat and its party.

The Chinese revolutionaries are successfully putting into being Stalin's statements that the proletariat must win over to its side mass allies even if they are unstable. There is no doubt that the united democratic front formed and . . . by the Chinese Communist Party is one of the chief factors in the historic victory of the Chinese people. The most notable thing about the Chinese revolution is the fact that China borders on the Soviet Union, whose revolutionary activity and whose assistance cannot fail to facilitate the struggle of the Chinese proletariat against imperialism and against the medieval feudal remnants in China.

The Soviet people led by the great Stalin has shown solidarity toward the Chinese people in all the stages of its many years of struggle for national and social freedom. The Soviet Union's defeat of Hitler's Germany and imperialist Japan created decisive conditions for a rapid development and strengthening of the democratic forces of China.

Mao Tse-tung emphasizes the importance of this factor for the victory of the Chinese people saying: "If the Soviet Union did not exist, had there been no victory in the anti-Fascist war, had, and this is of particular importance to us, Japanese imperialism not been defeated, had the people's democracies not arisen in Europe, then the pressure of the international reactionary forces would of course have been a great deal stronger than now. Could we have sustained our victory under those circumstances? Of course not. Equally, victory could not have been consolidated after its achievement."

Comrade Stalin's works emphasize the leading role of the military factor in the Chinese revolution. In his historic speech on the prospects of the revolution in China, Stalin indicated: "The revolutionary army of China, is a supreme factor in the struggle of the Chinese workers and peasants for their liberation. In China it is not a defenseless people that is resisting the armies of the old government but an armed people as represented by its revolutionary army. In China the armed revolution is fighting an armed counterrevolution. This is one of the peculiarities and one of the advantages of the Chinese revolution. In this also lies the particular importance of China's revolutionary army."

The Chinese Communists (basing) themselves on this splendid analysis of Stalin, in two decades created and trained the Chinese people's army numbering millions. The Chinese liberation army has grown into a mighty force which has smashed the troops of the Kuomintang reaction buttressed by American imperialism. At the head of this army stands the experienced leaders, Mao Tse-tung, Chu Teh, Chou En-lai, and other stalwart revolutionaries.

IMPORTANCE OF MILITARY SCIENCE

They have carried out Stalin's indication that Chinese revolutionaries, including the Communists, must take to heart the matter of studying military science, that they must

not regard military science as being of secondary nature.

At the same time Stalin warned the revolutionaries that it is impossible to vanquish the imperialists and the Chinese feudalists by military force only. Victory over the enemy can only be achieved with the help of the agrarian revolution under the leadership of the proletariat. As is known the Chinese Communists fulfilled this indication too.

Stalin also defined the nature of the future revolutionary rule in China, emphasizing in 1928 that this would be a transitory administration toward a noncapitalist China or, more correctly, a Socialist development of China. It is precisely an administration of this kind that the dictatorship of the popular democracy represents.

Speaking about the successes which the Chinese Communist Party achieved in the revolutionary period of 1925-27, Stalin said that these were among other things due to the fact that the party followed the teaching of Lenin. After the 1925-27 revolution the Chinese Communist Party achieved more successes and managed to bring the Chinese people to victory over imperialism and reaction at home. During the years of the Chinese revolution, Stalin said that the revolutionaries' capacity is inexhaustible; it has not yet shown itself to the full; this will show itself in the future. The rulers of the East and West who do not see this will suffer.

Mr. JENNER. That is a broadcast by Radio Moscow and I do not see how anyone can read it without realizing how the chief architects of our foreign policy in the Far East have followed the Communist Party line. When we put together Alger Hiss' perfidy at Yalta and the traitorous stabbing in the back of Chiang Kai-shek which was carried on by our State Department representatives, it is impossible for me to understand how any American can fail to see the connections.

Mr. President, as proof of these connections, I wish to debunk all the talk about our official line toward Chiang Kai-shek changing only after Japan had surrendered. I want to read into the Record an official memorandum entitled "Report No. 40, of October 10, 1944, From Mr. John S. Service to General Stilwell." This came from Mr. Service, who is still in the State Department.

Our dealings with Chiang Kai-shek apparently continue on the best basis of the unrealistic assumption that he is China and that he is necessary to our cause.

This memorandum was written in 1944. China was then our great ally. We were sending her lend-lease materials. We were sending her money. President Roosevelt had directed that we cooperate with Chiang Kai-shek. Mr. Service says:

It is time for the sake of the war and also for our future interests in China, that we take a more realistic line.

This was in October 1944.

The Kuomintang Government is in crisis. Recent defeats have exposed its military ineffectiveness and will hasten the approaching economic disaster. Passive inability to meet these crises in a constructive way, stubborn unwillingness to submerge selfish power-seeking in democratic unity, and the statements of Chiang himself to the Peoples Political Council and on October 10, are sufficient evidence of the bankruptcy of Kuomintang leadership.

With the glaring exposure of the Kuomintang's failure, dissatisfaction within China is growing rapidly. The prestige of the party was never lower, and Chiang is losing the respect he once enjoyed as a leader.

In the present circumstances, the Kuomintang is dependent on American support for survival. But we are in no way dependent on the Kuomintang.

We do not need it for military reasons. It has lost the southern airbases and cannot hold any section of the seacoast. Without drastic reforms—which must have a political base—its armies cannot fight the Japanese effectively no matter how many arms we give them. But it will not permit these reforms because its war against Japan is secondary to its desire to maintain its own undemocratic power.

On the other hand, neither the Kuomintang nor any other Chinese regime, because of the sentiment of the people, can refuse American forces the use of Chinese territory against the Japanese. And the Kuomintang's attitude prevents the utilization of other forces, such as the Communist or Provincial troops, who should be more useful than the Kuomintang's demoralized armies.

We need not fear Kuomintang's surrender or opposition. The party and Chiang will stick to us because our victory is certain and is their only hope for continued power.

But our support of the Kuomintang will not stop its normally traitorous relations with the enemy and will only encourage it to continue sowing the seeds of future civil war by plotting with the present puppets for eventual consolidation of the occupied territories against the Communist-led forces of popular resistance.

We need not fear the collapse of the Kuomintang Government. All the other groups in China want to defend themselves and fight Japan. Any new government under any other than the present reactionary control will be more cooperative and better able to mobilize the country.

Actually, by continued and exclusive support of the Kuomintang we tend to prevent the reforms and democratic reorganization of the government which are essential for the revitalization of China's war effort. Encouraged by our support the Kuomintang will continue in its present course, progressively losing the confidence of the people and becoming more and more impotent. Ignored by us, and excluded from the Government and joint prosecution of the war, the Communists and other groups will be forced to guard their own interests by more direct opposition.

We need not support the Kuomintang for international political reasons. The day when it was expedient to inflate Chiang's status to one of the big four is past, because with the obvious certainty of defeat Japan's Pan-Asia propaganda loses its effectiveness. We cannot hope that China under the present Kuomintang can be an effective balance to Soviet Russia, Japan, or the British Empire in the Far East.

On the contrary, artificial inflation of Chiang's status can only add to his unreasonableness. The example of a democratic, nonimperialistic China will be much better counterpropaganda in Asia than the present regime, which even in books like China's Destiny, hypnotizes itself with ideas of consolidating minority nations (such as Tibet and Mongolia), recovering lost territories (such as the Southern Peninsula), and protecting the rights and at the same time national ties of its numerous emigrants (to such areas as Thailand, Malaya, and the East Indies). Finally, the perpetuation in power of the present Kuomintang can only mean a weak and disunited China—a sure cause of international involvements in the Far East. The key to stability must be a strong, unified China. This can be accomplished only on a democratic foundation.

We need not support Chiang in the belief that he represents pro-American or democratic China. All the people and all other political groups of importance in China are friendly to the United States and look to it for the salvation of the country, now and after the war.

In fact, Chiang has lost the confidence and respect of most of the American-educated, democratically minded liberals and intellectuals. The Chen brothers, military, and secret police cliques which control the party and are Chiang's main supports are the most chauvinist elements in the country. The present party ideology, as shown in Chiang's own books China's Destiny and Chinese Economic Theory, is fundamentally antiforeign and antidemocratic, both politically and economically.

Finally, we need feel no ties of gratitude to Chiang. The men he has kept around him have proved selfish and corrupt, incapable and obstructive. Chiang's own dealings with us have been an opportunist combination of extravagant demands and unfulfilled promises, wheedling and bargaining, bluff and blackmail. Chiang did not resist Japan until forced by his own people. He has fought only passively—not daring to mobilize his own people. He has sought to have us save him—so that he can continue his conquest of his own country. In the process, he has worked us for all we were worth.

We seem to forget that Chiang is an Oriental; that his background and vision are limited; that his position is built on skill as an extremely adroit political manipulator and a stubborn, shrewd bargainer; that he mistakes kindness and flattery for weakness; and that he listens to his own instrument of force rather than reason.

Our policy toward China should be guided by two facts. First, we cannot hope to deal successfully with Chiang without being hard-boiled. Second, we cannot hope to solve China's problems (which are now our problems) without consideration of the opposition forces—Communist, provincial, and liberal.

The parallel with Yugoslavia has been drawn before but is becoming more and more apt. It is as impractical to seek Chinese unity the use of the Communist forces, and the mobilization of the population in the rapidly growing occupied areas by discussion in Chungking with the Kuomintang alone as it was to seek the solution of these problems through Mikhailovitch and King Peter's government in London, ignoring Tito.

We should not be swayed by pleas of the danger of China's collapse. This is an old trick of Chiang's.

There may be a collapse of the Kuomintang government; but it will not be the collapse of China's resistance. There may be a period of some confusion, but the eventual gains of the Kuomintang's collapse will more than make up for this. The crisis itself makes reform more urgent—and at the same time increases the weight of our influence. The crisis is the time to push—not to relax.

We should not let Chiang divert us from the important questions by wasting time in futile discussion as to who is to be American commander. This is an obvious subterfuge.

There is only one man qualified by experience for the job. And the fact is that no one who knows anything about China and is concerned over American rather than Chiang's interests will satisfy Chiang.

We should end the hollow pretense that China is unified and that we can talk only to Chiang. This puts the trump card in Chiang's hands.

Public announcement that the President's representative had made a visit to the Communist capital at Yenan would have significance that no Chinese would miss—least of all the Generalissimo. The effect would be great even if it were only a demonstration

with no real consultation. But it should be more than a mere demonstration; we must, for instance, plan on eventual use of the Communist armies and this cannot be purely on Kuomintang terms.

Finally if these steps do not succeed, we should stop veiling our negotiations with China in complete secrecy. This shields Chiang and is the voluntary abandonment of our strongest weapon.

Chinese public opinion would swing violently against Chiang if he were shown obstructive and noncooperative with the United States. We should not be misled by the relatively very few Kuomintang diehards; they are not the people. The Kuomintang government could not withstand public belief that the United States was considering withdrawal of military support or recognition of the Kuomintang as the leader of Chinese resistance.

More than ever, we hold all the aces in Chiang's poker game. It is time we start playing them.

J. S.
John S. Service.

OCTOBER 10, 1944.

Mr. President, I desire to insert in the RECORD also a copy of the congratulatory telegram dated November 28, 1949, which was sent by Eugene Dennis, general secretary of the Communist Party of the United States of America, to China's new Communist leader, Mao Tse-tung.

THE PRESIDING OFFICER (Mr. THYE in the chair). Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHINA, January 5, 1950.

DEAR COMRADE MAO: Throughout the long months of our trial, we were heartened by the inspiring achievements of the great Chinese people and their glorious vanguard, the Communist Party. We rejoiced that our friend, the new China, was inflicting defeat and disgrace on the imperialist rulers of America, who are violating justice by their false accusations against our party and its leaders.

The victory of the Chinese people represents even more than the liberation of 450,000,000 human beings from the age-old tyranny of feudal reaction and the yoke of foreign imperialism.

CAUSE OF WORLD PEACE

The establishment of the Chinese People's Republic is of historic significance for the consolidation of the cause of world peace. It has enormously strengthened the world camp of peace, freedom and socialism. It has thus also contributed much to the American people's struggle against the triple threat of economic crisis, fascism, and suicidal war created by Wall Street's desperate efforts to save monopoly's doomed social system.

We know that the American imperialists, thwarted in their schemes for world domination by the forces of peace, socialism, and democracy, whose leader is the invincible Soviet Union, will intensify their attacks on our vanguard party and on all democratic and peace-loving elements in our country.

BITTER STRUGGLE AHEAD

For us, and for the peoples of the Marshallized countries, the biggest and most bitter struggle still lies ahead. But we are mindful of the enormous difficulties overcome by the world camp of peace and social progress, and especially of the 20-year struggle of the magnificent Chinese Communist Party, which is now crowned with victory. Your expression of international working class solidarity is therefore deeply appreciated, and raises still higher our confidence

in our party, our working class, and our people.

For a pact of peace and friendship of the United States and China, the Soviet Union, Great Britain, and France.

Long live the friendship of the American and Chinese peoples. Long live the Chinese People's Republic and its Communist leaders. Victory to the world camp of peace, national liberation, and socialism.

EUGENE DENNIS,
General Secretary.

Mr. JENNER. Mr. President, in the light of these facts, just these facts alone, Mr. President, how can anyone take seriously Senator TYDINGS' whitewash of the supporters of this Communist line, whose position he described as just coincidence?

I want to go back to the Moscow broadcast of December 27, 1949, which I had inserted in the RECORD, to show that point 4 is also directly connected to the collapse of China in the Communist strategy.

In this broadcast the Russian people were told:

In their classics Lenin and Stalin said that the national colonial question is a part of the question of the proletarian revolution and the dictatorship of the proletariat.

Stalin teaches us that colonial and dependent (peoples are transformed) * * * from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat. * * * Stalin gave particular attention to the Chinese antifeudal and anti-imperialist revolution.

In other words, the Communist strategy for provoking the Western World into its own self-destruction has received a twofold impetus with the fall of China. For as this Moscow broadcast points out, there were two revolutions sponsored by and financed by Moscow which have taken place in China.

First was the Chinese revolt against domestic feudalism, war lords, and tyrannical bureaucracy; the second was the revolution against imperialist exploitation of Chiang by outside powers, and this second revolution took place within one of the most impoverished, backward, and undeveloped areas of the world.

Now, Mr. President, it develops that Mr. Earl Browder, who was so anxious to protect Mr. Lattimore, is himself one of the Communist architects and advocates of the point 4 program, which was designed in Moscow to finance revolutionary movements in the underdeveloped, backward areas against exploitation by the western imperial powers, at the very time when those powers could no longer protect their vested interests.

I want to read to my colleagues from the book, *Tehran, Our Path in War and Peace*, written by Earl Russell Browder, published in 1944—about the same time John Service was mailing his memorandum to General Stilwell—by International Publishers, Inc., New York City. On page 12 Mr. Browder quotes from the declaration of Tehran which was signed by Roosevelt, Churchill, and Stalin:

Our nations shall work together in the war and in the peace that will follow.

Then, Mr. President, I want to read from page 48 how Mr. Browder described

the way in which Russia and the United States will work together in the peace:

A policy directed toward realizing a great market in Asia for American products must be directed, therefore, toward abolishing the colonial system and its replacement by a system of free, self-governing, unified nations.

Colonial or semicolonial regimes provide narrow and restricted markets, while independent, self-governing nations provide expanding markets.

Again on page 51, Mr. Browder goes on to describe in glowing terms what a wonderful thing America's financing of point 4 would be:

An American policy for Africa, to be practical, must have certain features which we can already define with a degree of exactitude:

It must be a policy which is made possible by America's participation in it;

That is, America must raise all Africa's problems to a higher level by the very act of committing America to participate in their solution, making a contribution no other country could make.

It must be a policy which does not weaken the relative position of Britain and France vis-à-vis America, either in the world in general or in specific relation to Africa.

And, finally, it must be a policy which will immediately set in motion the economic and political advancement of the African peoples themselves. * * *

America can underwrite a gigantic program of the industrialization of Africa, to be launched immediately at the conclusion of the war, at the moment that America's war industries can shift over to peacetime production.

No other country could do this but America, and to have such markets as this immediately available after the war is one of the most pressing postwar needs of America.

Such an African industrialization program would immediately furnish a basis for solving a thousand problems hitherto insoluble, and among them the most important problems.

If Earl Browder had written point 4 he could not have done a better job.

Mr. President, I do not know whether Mr. Haldore Hanson is a card-carrying Communist or not, but I do know that, as head of the State Department's technical staff on point 4, he is helping to draft this basic program, which the Communists in the Politburo in Moscow are counting on as essential in their expanding conquest of the Western World.

Therefore, Mr. President, again I want to warn my colleagues and the American people that we are being sucked ever deeper into Communist booby traps all over the world.

That the basic policies we are following and the new secret commitments that are now in the making cannot help but play directly into the hands of Stalin.

Mr. President, I ask unanimous consent that the article by Edna Lonigan, *What Lies in Point 4* published in the April issue of *American Affairs*, be incorporated in the body of the RECORD to conclude my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT LIES IN POINT 4

(By Edna Lonigan)

(NOTE.—Point 4 has had a wonderful prenatal life. It was conceived in January 1949.

When it is born it will find an official emblem waiting for it—a kind of heraldic device made up of draftsman's tools by the State Department to decorate the cover of what is perhaps the most romantic state document in all the archives. To put the theme in your eyes there is a full page illustration showing the land masses of the earth in white, gray, and black, and under this six human figures, four of them white, one gray, and one black. The four white figures belong to the white land masses and represent that two-thirds of the whole world that is underdeveloped. The one gray figure belongs to the gray land masses, and represents that part of the world that is in a state of intermediate development. Thus you see at a glance what a task devolves upon the one black figure, who is one-sixth of the human race and alone is developed. Point 4 is his job in a general sense; he must uplift the one gray figure and the four white figures. Actually it is more heroic than that, because the black figure is itself in trouble. The weight of point 4 will rest principally on a small figure that is missing from the illustration, namely, one to represent the United States, which is the only great surplus nation in the world and has only one-fifteenth of its population. Speaking of the 1,500,000,000 underdeveloped people the State Department says: "These people in recent years have been stirred by a growing awareness of the possibilities of human advancement. They are seeking a fuller life and striving to realize their full capabilities. They aspire toward a higher standard of living, better health, and physical well-being. Under present circumstances their poverty is not merely a handicap to themselves. By leaving them unable to fulfill their reasonable aspirations, their misery makes them fertile ground for any ideology which will hold out to them promise, however false, of means toward a better life." Point 4 will be born when the Congress passes a law to authorize and clothe it. For that purpose several bills are pending. They do not name any specific sum of money. They say, all of them, something like this: "There are hereby authorized to be appropriated such sums as may be necessary."—Editor.)

I

In a few words of his inaugural address, January 20, 1949, making the first announcement of point 4, President Truman revealed both the philosophy and the outline of a program that put the whole world agog. He said:

"More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. . . . We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. . . . We should make available . . . the benefits of our store of technical knowledge. . . . And in cooperation with other nations we should foster capital investment in areas needing development. . . . This program can greatly increase the industrial activity in other Nations and can raise substantially their standards of living."

There is no ground for the frequently expressed opinion that the plan is vague, ill-formed, small, or tentative. It is clear and admirably designed for its purpose.

Point 4 extends the Marshall plan to the globe, and makes it permanent. One of its effects will be continue control by Government of the Nation's capital fund as other arguments for doing so may lose their force.

It is the capstone on a global new deal. Instead of "one-third of a nation" ill-fed, ill-housed, ill-clad, we have "more than half the people of the world" in need of "more food, more clothing, more materials for housing."

The program has two prongs: (a) The Government will employ and direct a group of technicians, who will administer the program. (b) Private owners of capital will be invited to supply the funds, within a "climate" provided by Government, that is, with wages, hours, costs, and profits, subject to Government regulation.

From this bold new program it does not follow that we shall give or lend an additional dollar of capital to the underdeveloped people, nor that our technical aid will be increased at all. What does happen is that the management of what we give and lend is transferred from private hands to government.

Bills have already been introduced into Congress to authorize the American Government to provide technical assistance to underdeveloped people of the world, and to insure private investors against the risks of confiscation of plant or earnings, or the inability to convert foreign money into dollars when they want to bring their profits home.

These technical staffs will not be charged to foreign aid. They will be recruited from the Public Health Service, Social Security, and other familiar agencies. They will be paid for under the regular appropriations.

By thus setting up a managerial staff, scattered throughout the Federal bureaucracy, and by enticing private investors to supply the capital, it is possible for the President to commit the country permanently to the entire program of point 4, by asking at first for very small appropriations, like \$25,000,000 for the Export-Import Bank to guarantee private loans, and a few millions for additional technical aid.

It is no part of the plan to reveal beforehand the total or ultimate cost of the bold new program. All we know for sure is that Undersecretary James Webb said it was to go on for 10 to 50 years.

One curious fact is that the President already has all the powers he needs to carry out a program of technical aid, as several Members of Congress pointed out at the hearings on the International Cooperation Act of 1949, before the Committee on Foreign Affairs, House of Representatives, Eighty-first Congress, first session. We are in fact deep in that program now. Nevertheless, point 4 must be dramatized by hearings, debate, and propaganda to build up public favor and to quiet criticism.

The program for mobilizing public opinion is being carried out by the same technique of indoctrinating groups of people through literature, state papers, meetings, public speeches, and the rest, which was used so effectively to mobilize the opinion of women's clubs, unions, and other groups favorable to welfare in the campaign for health insurance.

Some apparent confusion is introduced by the fact that the United States Government is to administer part of this program directly and part through its ties to the United Nations Budget and Secretariat. At the same time, the United Nations has a parallel program with its own technical staff, including representatives of the borrowing nations, and has plans for raising capital both from the United States and by forced saving in the underdeveloped areas.

These differences are all reconciled in one larger process, which is that of gradually extending political control over investment capital, by means of a planning elite or technical aristocracy in the service of a political power. The effectiveness of this method can be seen if you look at public housing, in which a small technical staff in Government learned to direct and guide a huge volume of private capital invested in Government enterprises.

This is not the Government's first attempt to enter the field of long-term investment. Capital investment still remains, however,

the last relatively open area of our economy. Interventionism appeared first on the periphery, in the field of relief. It has been steadily moving toward the heartland of investment, the source of all earnings and of all welfare.

II

Before we can gage the effects of the bold new program we have to note first how the free private economy has hitherto brought technical aid and capital goods to the underdeveloped areas.

We have been dealing with these areas for centuries, through trade and loans. Private investment loans are the sale of capital goods to poorer countries on the installment plan. When countries without capital needed railroads or steam engines, they borrowed the money to pay for them from private investors. They bought the equipment outright and paid the investors back over a series of years. In this way, the workers in poorer countries benefited because they got jobs building canals or railroads, or making steel, long before the country was rich enough to have saved the capital itself. The workers in the richer (lending) countries benefited because they could find jobs making locomotives and machinery, for people too poor to buy them outright.

The United States is the classic example of an "undeveloped area" industrialized by foreign investment. The English lent us money to build railroads and canals when we were too poor to assemble so much capital. We used the railroads to bring farm products out of the Middle West for export, and used our earnings to import machinery for our factories. Soon we made enough money to pay the British off, and then to lend money ourselves to Europe and Latin America.

President Truman might call this "the old imperialism, the exploitation for foreign profit." Would we be better off if the Middle West still sent its grain by boat down the Mississippi and the trip to California had to be made by way of Cape Horn?

In addition to loans, we had a very effective method for bringing capital and technical knowledge to backward areas by gifts through churches, foundations, colleges, and other voluntary organizations which we financed out of the fruits of our industry.

By a brilliant meshing of our loans and gifts we have been training Greeks, Arabs, Indians, Chinese, and Latin Americans in our technology and enterprise for many years. The Agricultural Missions Foundation has been training young Chinese in better farming methods, and in self-help cooperatives. The Near East Foundation has been teaching Greek and Arab youngsters to exterminate mosquitoes, test seeds, and market farm products. The Rockefeller Foundation has sent some of the world's greatest doctors to teach sanitation and to find a cure for tropical diseases in Latin America and Asia. Henry Ford helped train the "Baillie boys" from China in methods of American industry, as he trained young boys from Alabama.

The purpose of private or economic investment was to direct savings into the most productive channels, so that the capital fund could be kept intact, and used again and again. Thus our savings were the source of constantly increasing employment and earnings, as they were planted again and again, and produced harvest after harvest.

A clear distinction was always maintained between loans and gifts. Loans were made from savings, under an agreement that they were to be repaid. Gifts were made from outright contributions which the giver did not expect to have repaid. Gifts were used for education and health services, where the benefit in increased earnings was slow to show itself. The welfare fund did not renew itself, but, since it was provided entirely out of earnings, it created no debt and did not lower employment and wages at home.

No nation in history has ever had so magnificent a system for sharing the fruits of its work and skill with people of other nations. The President cannot be embarking on point 4 because we have not been helping underdeveloped areas.

III

The Government's new program abandons the distinction between loans and gifts. All questions of costs are therefore completely blurred.

They have substituted a new distinction between capital and technical assistance which serves no economic purpose. Technicians are as much part of capital costs as machines or any other roundabout expense. Private investors have always supplied technicians as well as equipment, whether at the Dniekrostroy Dam or the Tata Steel works in India.

The new distinction is political. Under point 4, the technicians will be Government employees. Thus the steering or direction of the new program is to be safe in the hands of the Government leaders. Capital will be privately owned or privately administered, but under Government steering.

How is private capital to be drawn in? Private investors will be given insurance against special risks, such as the inconvertibility of other money into dollars, confiscation, or political upset.

It seems a bit fantastic that the American Government should subsidize foreign nations to maintain inconvertible currencies and then subsidize American firms to meet the losses. It is even more fantastic that our Government should guarantee industries against losses like Hitler's seizure of power in Germany or Russian seizure of Czechoslovakia.

There is, of course, no actuarial factor in such insurance. The State Department refers to this as an indeterminate cost factor. That is a pleasant way to say that the Government does not have to make costs and revenues fit.

Why should private investors accept Government insurance against nonbusiness risks? It is no part of the tradition of free capitalism to buy and sell only where political order can be guaranteed by the state. French and Spanish merchants waited for the establishment of order by government, but the early English merchants went wherever trade was to be found, and brought their own order with them.

Free capitalism grew up in a world of war, robbery, piracy, at home and abroad. It expected treachery of governments. It established its own islands of order, and in time made limited government possible.

If businessmen accept the role assigned to them in the new private enterprise, they will eagerly seek Government orders, Government guarantees, Government support prices, and Government regulation of wages and profits. If they do, then the capital in the hands of private agencies will for all practical purposes be fully and freely at the disposal of the political leaders.

The heads of foundations and other philanthropies will be urged, by similar offers of cooperation, to put their capital and experience at the disposal of the Government planners. Heads of universities will be urged to open their facilities to those projects and scholars whom the Government selects. Promotion and prestige will go, on the faculties, to the men who cooperate with Government. The teachers and scholars who might be tempted to criticize Government finance or centralized control will form a dwindling insignificant minority, whose opinions can be ignored.

Private missionary agencies will be invited to cooperate and promised grants-in-aid, if they support point 4, as health and welfare agencies were promised grants under the Federal health program. The support of

nonprofit agencies high in the opinion of the public will be invaluable to the Government in the task of molding public opinion to accept without critical analysis a program with so humanitarian a label.

Mr. Oscar Ewing, the Social Security Administrator, said to Congress: "If we can get church organizations to do a thing, particularly if they can do it better, we certainly would be silly not to utilize them to the fullest extent, and do it through grants."

From the administration's point of view, the second function of private business and the foundations will be to supply enough know-how to keep the Government projects from making conspicuous (politically costly) errors. Economic losses are not serious but public ridicule might be.

The Government will pick the brains of businessmen with experience in industrialization and foreign loans, until its staffs have learned how to get on without them.

As soon as point 4 was unveiled to the public, a stream of ideas, suggestions, and criticisms poured into Washington from people of experience advising them what were the hazards they were about to face. The staffs of State, Commerce, Treasury and other departments sifted these suggestions, disregarded those which explained how to operate economically, but took over those which explained how to operate efficiently, in the physical sense, so that there would be no visible breakdowns.

This is the method by which a spending government can commandeer all the practical working knowledge of technical matters that it needs—by letting private industry and nonprofit bodies give it to them.

Private firms cannot keep their present monopoly of the knowledge of economic operation if the government sets its suction pumps to pulling the knowledge from them. Every bit of business experience that is of value to the strengthening of big government can be skimmed off for future use.

Of course, the administration does not spell out any plan to take all investment under political management. It is only offering to help, by taking over the "unmanageable surplus" of our industries.

Federal management of farming began with the Federal Farm Board, which tried to take care of our unmanageable surpluses of wheat and cotton. The people who tried the experiment, for a temporary emergency in President Hoover's administration, knew that economically they had failed. But they did not realize that to the technicians of government control their experiment was a complete success. They sold the idea to the New Deal as the AAA, and it gets bigger every year.

The American public does not hear much about our "unmanageable surpluses" of locomotives, tractors, road machinery, and electrical equipment. But the European press, and our propagandist literature, are full of statements that Europe must "help" us by taking the streams of trucks and tractors that we are eager to give away.

The belief that our heavy industries must get into a position of extreme "overproduction," with a large unmanageable surplus, is a cardinal principle both of the Russian Marxists and those in the Socialist Labor Party. The Marxists are as sure of the ultimate breakdown of the heavy industries through collapse of our capital goods market as they are that the sun will rise.

The collectivists believe that they can persuade the businessmen who make capital goods to fear surpluses, as farmers and labor unions now do, and so make them responsive to Government promises to buy their output at prices the people of the Nation cannot afford to pay.

Producers' goods are as dependent as corn or wheat on the axiom that where there is "overproduction" at a given price, the price is too high. The price verdict of the free

market is kinder in the long run—however harsh its verdict—than the Government's promise to move surpluses by using printing-press money to buy them.

We need only remember that when the Government guarantees a loan it is encouraging buyers who cannot afford to buy. When the Government provides working capital it encourages producers who cannot produce at prices the free market can pay. Government purchase of output is capital destruction. And Government purchase of output abroad is putting foreign workers on a dole paid by workers in our country.

Each of these plans has a *raison d'être* from the Government's point of view. It brings about political intervention in costs or prices within the private firm. A small amount of political intervention in internal costs acts like a small stream in the cleft of a rock. The dislocations of a little interventionism always lead to more intervention. The first effects of Government marketing of surplus tractors and freight cars and generators will be like those in cotton and wheat in the 1930's—price inflation in producer goods, larger and more unmanageable surpluses of tractors and freight cars, a much more painful price drop if producers tried to return to true economic prices in a free market, and the continuous growth of vested interests urging newer and better price supports.

IV

The State Department has summarized our present commitments in its Foreign Affairs Outlines. Building the Peace, No. 21, issued in the spring of 1949.

The Interdepartmental Committee on Scientific and Cultural Cooperation is the vehicle for our exchange of technical help with other American Republics. This committee coordinates the work of 25 departments and agencies of the Federal Government. Projects are under way in agriculture, public health, labor, social security, fiscal administration, transportation, mining, and geology.

The United States lends experts and undertakes field work and trains personnel both on the spot and in universities and technical schools in this country.

As the State Department tactfully puts it, "Latin American countries contributed \$3 to every dollar expended by this country in programs carried out during the latter (sic) half of 1948." That means, in the simpler language of Calvin Coolidge or Abraham Lincoln, that American workers in farm or factory or at their desks, paid 25 cents for every 75 cents spent in Latin America on raising farm and industrial output and increasing the population of nations which cannot feed their present population.

The State Department calls this a "surprisingly low cost." It mentions the budget of the Interdepartmental Committee, but does not mention the costs incurred by the 25 cooperating agencies.

This is not of course confined to Latin America. The Smith-Mundt Act, passed in January 1948, authorized the administration to expand these activities on a worldwide basis, which goes to show how closely the camel's nose is attached to his neck.

There is also the Institute of Inter-American Affairs, a Government corporation, not a bureau. It was chartered in August, 1947. It has what the State Department calls "wide latitude" in the choice of projects and "the time and money to be spent on them."

It sets up agencies known as *servicios*, staffed jointly with American and local administrators and technicians and "jointly financed and administered" by both the United States and the beneficiaries. The experts work under the ministry of the local government or with private firms. They establish health centers, construct hospitals, and laboratories and schools of nursing and hygiene. They have 1,200 scholarships for

training technicians in the United States and local training centers for 7,500 people in Latin America. We are engaged therefore in requiring that young technicians in Latin America who wish to come to this country must have the approval of their governments before the doors of opportunity are opened to them.

The receiving government gradually assumes "increasing" responsibility for operating costs. When the United States withdraws, the projects become the property of the local government.

This is only one of the resemblances between the *servicios* and the machine tractor stations in Soviet Russia, by means of which the central government has an agency of its own in every village and hamlet in the land. For example in Peru, we have set up a nationwide agricultural extension service, with a "machinery pool," as well as seeds, trees and insecticides. But what local areas will disagree with the central government, when the central government owns all the farm equipment in the district?

The President has already asked for extension of the Institute's charter until 1955, and a "further request may be made," says the State Department, to extend the Institute "outside the Western Hemisphere."

American experts are helping the Mexican Government with mining and metallurgical techniques. We have geologists in Brazil helping that government locate minerals. In aeronautics we have government field parties in five Latin American countries. In Brazil they followed the quaint practice of having the Brazilian Government itself hire and pay American aeronautical engineers.

It is obvious now that by building up a large staff of technicians, and "giving" their services to foreign governments on a government-to-government basis, the administration is exerting tremendous pressure all over the world in favor of government control of the new industries that arise, and in favor of the planned economy, whether the people of those countries want their governments to control them or not.

Likewise when foreign technical students come here they are given a thorough course in the Public Roads Administration, TVA, the Public Health Service, and other planning agencies, before they are sent to private colleges which might still hold to the idea of economic life free from governmental direction.

Technical assistance projects under ECA include (1) increasing industrial productivity, (2) increasing farm productivity, (3) man power utilization and "conditions of employment," (4) market surveys, (5) governmental administration and (6) colonial development. The last is of course point 4 for "undeveloped areas" owned by European nations.

The Export-Import Bank also makes technical surveys. A large variety of UN agencies are doing likewise. All the really alert Federal and UN agencies are "empire building" their technical staffs.

We can take it for granted that every bureau and agency, no matter how small, will find increased need for technical men, and will discover that its mandate requires it to carry on its operations in foreign countries.

V

This sudden building up of technical staffs has the greatest political significance.

In economics, technicians do not play the decisive role in investment. The most important role is that of the enterprisers, the men who know how to direct new ventures into the right channels at the start. In the whole literature of point 4 there is no mention of the men who are to have over-all direction of these investments.

Government does not need economic enterprisers. Private enterprisers have to find productive uses for their capital or they do

not get their capital back, and they soon cease to be capitalists. The Government is not subject to that annoying restriction because it gets its capital through the taxing power. "Losses" no longer have any meaning. "Costs" no longer have any meaning. Government can operate with any cost structure and any margin of error, because the producers of the Nation can be compelled to make up the losses. Government has no incentive to low-cost operation. It has the strongest incentives to high-cost operation.

Another reason why the bold new program does not call for a staff of enterprisers before it hires its technicians is the Marxian dogma that capital is automatically profitable, it reproduces itself without any attention, and so the enterpriser performs no function for his profits. It doesn't make any difference how capital is spent. There is always more where the last came from.

Marxians are as enthusiastic about technicians as they are skeptical about enterprisers. Technicians are "workers." Also they are numerous and easily organized. They are part of the discontented intellectual class, from whom the collectivists have won so many recruits.

In addition to the somewhat mystical enthusiasm for technicians on the part of the true Marxists, more earthy politicians have been eager to draw experts onto the Government payroll, because they are part of the ideological front, behind which the change to the European pattern of government is going on.

Everyone knows technicians are intelligent, idealistic, good, public-spirited. If a government employs great numbers of them, it must be a good government. Both the technicians and the public will believe it is.

Point 4 is skillfully designed to hold out to the young biologist, soil chemist, public-health doctor or engineer the vision of new opportunities to use his talents to serve the people. This is the same technique by which the social workers were won over to collectivism through WPA, and the young doctors and nurses to socialized medicine.

George Allen, Assistant Secretary of State, said to the American Society of Engineering Education, "I can assure you that engineering will play a prominent part in the program, and subject to approval by the United States Congress, and by other countries . . . hundreds of American and other engineers will be going annually to assist the governments of underdeveloped areas of the world."

Point 4 is an appeal to all the bright young technical men in the world to get on a government payroll. It is part of the attempt to concentrate in government virtually the whole of the secondary intellectual class.

VI

What benefits can we expect from this sudden eruption of politically governed foreign investment?

A precise statement of the economic problem of political investment is given by the International Bank for Reconstruction and Development in its press release No. 134, for May 11, 1949.

Lest we forget, the bank was set up at Bretton Woods, to give us once and for all the perfect machinery for the reconstruction of underdeveloped areas.

The release says: "The bank will not be deflected from its determination to make loans only for sound and productive projects. For the efficient canalization of savings is as essential on the international plane as it is on the domestic. Any organization which lowered its standards in this respect would be guilty of waste for the sake of an ostensibly humanitarian gesture. The bank has no intention of so abusing its responsibilities.

"This does not mean, of course, that the bank finances only projects which pass private investment criteria. To the con-

trary . . . its purpose is to finance projects involving risks which private investors are unable or unwilling to assume."

The report goes on: "Since loans made by the bank are on terms which are not designed to make any substantial profit, it is clear that any greater liberality . . . would amount simply to disguised intergovernmental grants."

It is the more distressing therefore to find evidence of a recent sharp change to a policy of "going along with" the new program. The bank suddenly announced on June 30, 1949, that it was sending to Colombia a nine-man team of experts, headed by Lauchlin Currie. His committee is to study not specific long-term loans, but Colombia's "over-all economy." Its staff includes not only economists but experts on welfare from the WHO and FAO.

The results of shifting from specific economic loans to over-all welfare loans may be tested by examining the results of our 15 years of political investment in Puerto Rico.

Puerto Rico is the classic case of American governmental aid to "undeveloped areas." The original program for this aid was drafted in 1934 by Luis Muñoz-Marín at the suggestion of R. G. Tugwell and Mrs. Franklin D. Roosevelt. Newspaper statements, like that in *Time* for May 2, 1949, saying that the Tugwell program was set up in 1941, ignore the early stages of the planning which did not get into the record.

There was first the Chardon plan, based throughout on the Marxian assumption that the sugar companies and other large firms had made no contribution to the island but only extracted revenue from it.

It proposed that the Federal Government provide the capital to buy the sugar company lands and centrals, and give them to the Puerto Rican landowners. In addition the Federal Government was to undertake a variety of welfare projects on the island.

In 1934 a special committee was sent down to investigate the adequacy of the plan. The committee found that the sugar industry profits were based on American engineering skill, and the sugar industry had actually trained many young Puerto Ricans in our technical arts.

The committee found that the planners had missed the real problem. American health and sanitation measures had lowered the death rate so greatly as to lead to disastrous overpopulation. The committee urged the immediate cessation of relief, doles and every form of American subsidy, and a shift of policy to training the Puerto Ricans in strict production.

What happened is a side light on Government planning. The Chardon group borrowed from the committee's report everything which was useful to the planners, and filed the rest.

Although the Chardon plan was manifestly ruinous to the Puerto Rican economy and a good plan for self-help was available, the Federal Government poured millions into the plan for buying up the sugar lands from those who knew how to operate them efficiently.

Why didn't this socialist utopia hit the rocks? Because, as with English socialism, our Government continued to siphon the earnings of Americans into political spending on the island. When peacetime spending might have come to an end, and let the socialist skeleton in our closet out into the light, American military spending supported the island's economy, high up on artificial wages set by the New Deal's welfare agencies.

The good showing of our socialist experiment in Puerto Rico rests entirely on the red ink in the Federal budget in Washington.

The net result of 15 years of "planning" is that the population of the overcrowded island increased by another half a million, although a cityful of Puerto Ricans has migrated to Marcantonio's district in

New York. Over a billion of American dollars has been spent (probably much more). The island government has started some new industries—but how many private firms were wiped out or never started, during the years of Tugwell's planning to make the island a pilot plant for socialism on the Continent? The economy of Puerto Rico rests today, where it did in 1934, on federal relief.

The point 4 program follows exactly the pattern of Puerto Rico in its major error—it puts health and welfare ahead of industry and employment. As Isaiah Bowman said of Africa: "If millions are saved from tribal war, malaria and tse-tse fly only to be permitted to die of starvation, the controlling white has not improved the status of the population, he has only changed the categories of the vital statistics."

Thousands of competent people know this. The difficulty is the absence of any tie between the political leaders who want to spend money on dramatic projects, and the victims of their "help."

Every single step taken under point 4, insofar as it is successful, means adding more and more people, billions of people, to the poor eroded overcrowded areas of the world where human misery is now at its worst.

The use of DDT in British Guiana so reduced the death rate that the population is expanding about 10 percent a year. The suppression of tribal wars in British Africa had the same kind of result. Population in Latin America, India, and China is rising about 2½ percent a year. So also in Europe, whose extra people now have no place to go.

William Vogt in the Saturday Evening Post says, "Anything that we do to speed the rate of population increase without assuring a parallel increase in the necessities of life imposes an extremely grave responsibility upon us. This relationship between mounting appetites and the possible means of satisfying them is one that must have fundamental and controlling consideration as we develop a program under point 4."

If there is anything that the world does not need at the moment, it is stimulants to population growth. The pattern of point 4 may be only a larger and more distressing version of the story of Puerto Rico. All will go well so long as the spending continues. But a time may come when dollar imperialism would look like the Golden Age compared to the horrors of welfare imperialism.

VII

Is there no hope? Must we abandon our promise to help the poorer nations of the earth, dash the hopes of innocent people, and expose ourselves to ridicule?

Certainly not. The hopes that have been aroused are too great to be lightly ignored. Our only choice is to return to our own tested method of irrigating the undeveloped areas of the world with our capital, economic skills, and social benefits.

There is, however, a total conflict between, on one hand, the method of private investment and private gifts, and, on the other, government-controlled capital, managed by a governmental technocracy.

Every loan or grant which can legitimately be made to an undeveloped area, without risk of ruining the beneficiaries, can be made now through private initiative or through the original program of the International Bank.

The advantage of the old American method of aiding people who are not yet industrialized is that it depends on private savings, not on the taxing power. That means lenders cannot put their money into any project that will not provide the people of the undeveloped areas with more employment and higher wages.

Of course the borrowers complain about repaying our loans. They always do. They

pay installments for many years, after the locomotives and machines are no longer new, and they have long forgotten what it would be like to do without them. It is natural that borrowers do not like to pay old debts. We were not too pleased to repay what the British lent to us. But why transfer these tensions between private citizens into tensions between governments?

Of course there were some shady transactions in the history of private investment. But according to Pravda there are some shady transactions even in Soviet Russia, and it is hinted that there are some in our own Government in Washington.

Of course private managers and technicians were arrogant, and missed some of the possibilities of hiring local talent, but what reason is there for thinking that government managers are free from arrogance, or that Indian engineers would like it better if they thought their talents were ignored by a foreign government operating in their country?

The most important thing, however, is that private investment rests on the right human foundation, a foundation so completely right that it was never necessary to formulate it in plain English.

Because private investment could not get capital by taxation, projects that paid out had to come before gifts, or, to say the same thing, projects to raise production and employment had to precede projects that increased health and welfare. The society therefore was kept in balance, and jobs, employment, food, health, and education grew together.

The rule is absolute that no people can spend money on health and education and welfare simply because they need it. They can spend on welfare only when they have achieved high production and high employment.

VIII

Can we return to the free system? Politically such a step would be resisted by all the propaganda and organizational skills of the administration. The spending on point 4 is so scattered that only a drastic cut in all spending will save us from many Puerto Ricans.

A cut in spending will stop the waste of our Nation's capital fund, but we need much more than that. We need to turn triumphantly to our own free system in full confidence that it is the world's most magnificent enterprise in sharing capitalist savings and industrial arts with less fortunate people. We need to search out every legitimate channel through which our use of free enterprise can be expanded.

American capital lived so long in a stable political atmosphere that it now puts the cart before the horse. It has accepted the Marxian argument that risk-takers cannot lend money until governments have established political order.

The truth lies at the opposite pole. Businessmen have to look back at the history of business enterprise and see how much it rests on courage and imagination. "Risk-taking" does not mean deciding whether to charge 5 or 6 percent for a loan backed by a piece of paper. It means deciding whether to go unarmed and unprotected into regions of danger. Political order would be sooner restored if private enterprise would take up the true burden of risk in the world as it is, and put behind it all spurious economic "security." That means to realize that there can never be for long a higher price than the market pays and that government cooperation with free enterprise is like the cooperation of the young lady of Niger with the tiger.

INVESTIGATION OF OLD-AGE AND SURVIVORS INSURANCE AND ALL OTHER ASPECTS OF SOCIAL-SECURITY SYSTEM

Mr. CAIN. Mr. President, on Wednesday of last week, May 17, 1950, H. R.

6000, as amended, was reported by the Senate Committee on Finance to the Senate Calendar. It was stated when the bill was offered that the committee report on the proposed legislation would not be printed and made available to all Senators until some time this week. The report has not yet appeared on our desks.

The junior Senator from Washington has not yet had an opportunity to study the committee report. He is, however, of the considered opinion that H. R. 6000, whatever its amendments may be, ought not to be passed and approved by the Congress and the President of the United States. The junior Senator from Washington holds to the view that the time has come when a new and different social-security system and pattern ought to replace the system which was initiated 15 years ago.

The junior Senator from Washington believes that the Nation ought to recognize the needs of the American aged as being our Nation's responsibility. If the Nation is willing to recognize and provide for the needs of some of the aged it ought to be willing to provide for the needs of all of the aged. It is because of the conviction, a very deep and sincere one, that I shall oppose the passage of H. R. 6000, as amended, with every legitimate means at my disposal.

Even though H. R. 6000, as amended, is not the pending business I think it is proper and necessary to speak to that subject at this time. My intention and hope is to arouse a national interest and concern over the coming question of what should the Nation do about our Nation's aged.

When our social-security system was initiated in 1935, millions of aged men and women were not included within its coverage. These millions have either been left to their own devices or they have been required to seek assistance through relief, or a means test, or a dole. Since 1935 additional millions of Americans have become aged who were not provided for through our social-security system. If the Congress now agrees to extend the coverage and liberalize the benefits of the social-security system which began in 1935 additional millions of aged persons will be left out in the cold as a continuing charge on society, on charity, and on some kinds of relief.

If it was our intention in 1935—and I think that it must have been—to devise a social-security system which would take care of the legitimate needs of the American aged, we must admit today that our objective has not been fulfilled and that it never can be through any mere extension of the prevailing social-security system.

The junior Senator from Washington is convinced, Mr. President, that if we take the time carefully to explain to the Nation what the prevailing social-security system has done and intends to do in the future, and what this system can never accomplish, a vast majority of the citizens will have the patience—and it will require a great deal of patience—to grant the Congress sufficient time through which to design and establish a social-security system which will adequately protect and provide for the needs

of all of our American aged. On the strength of this conviction, I offer now the views of one Member of the Senate.

For 15 years we have been telling the American people that we, here in the Congress, were helping to build up an honest social-security system. We have said that we were really concerned about the plight of the old and the indigent. We have told the boys and girls just starting their first jobs that if their social-security taxes were faithfully paid over a certain number of years each could look forward to an annuity when he retired.

Gradually, as the traps and pitfalls of the Social Security Act have become clear, it has dawned on many of us that we are not building up an honest social-security system at all. We see now that the promises we made to those boys and girls in their first jobs, promises sustained by our votes in the Senate, are promises that all too often are not worth the paper on which they are printed.

We are daily running the risk of exposure as collaborators in a national swindle. If once or twice we blundered because we did not understand what we were doing, we no longer have that excuse.

Mr. President, it is time to purge ourselves, to openly confess the deception in which we have been unwitting partners. It is time, as I see it, to tell the American people the truth. It is time to admit what is really a sort of organic dishonesty in the very heart of the pending social-security bill, H. R. 6000, which soon will be before us. It is time to acknowledge that what we thought was liberalism back in 1935 is really a blind and reactionary philosophy on which to base a social-security system. And it is high time that we got busy and tried to do a really honest and on-the-level job with old-age benefits.

I am therefore submitting a resolution for a full and complete investigation of old-age and survivors insurance and all other aspects of the social security program, including its administration, and particularly in respect to coverage, benefits, and taxes relating thereto, for the purpose of assisting the Senate in dealing with legislation relating to social security.

The investigation called for in the resolution has numerous purposes, but two purposes are chief above all, namely:

First. To institute a careful inquiry as to whether it may not be possible to substitute for the present setup, an entirely different system which would avoid the huge costs of administration and the duplication, which might disclose some other form of taxation, more simple and direct for its support, and which would give to the old people more positive security than they now have. In particular the investigation is directed to see whether or not it may not be possible to install without further delay a system whereby, on a pay-as-you-go basis, a uniform benefit may be granted to every man and woman who has now reached or passed the agreed-upon retirement age.

Second. To conduct a rigorous inquiry into the present Social Security Administration which has been directing the present system for the past 15 years.

This inquiry should include investigation of the personnel of the system, the details of their management of the system and of their conduct and deportment in the matter of influencing proposed social security legislation.

Mr. President, I am keenly aware that the Finance Committee has spent months on this bill. That they have saved us from some fiscal booby traps—disability insurance, for example—is certainly true, and we should be grateful. Yet despite all their labor, simply because the foundation upon which the committee had to do its work has, to my mind, been faulty from the beginning, since 1935, so the completed bill is flawed and fissured with fundamental defects. No amount of committee pruning or alternation could set it right. I do not see how it could be otherwise.

Let me make myself very clear at this point. Let us suppose, for example, that an official of one of the great life insurance trade associations wrote to the chairman of the Finance Committee, congratulating him on the committee's work in pruning the bill, in refusing to incorporate any provision for disability insurance, and so on. I would heartily agree with any congratulations of that character; but I would still have to say, as I have just said, that since the foundation upon which the committee had to do its work has been faulty from the beginning, so the completed bill is flawed and fissured with fundamental defects.

The chairman of the committee, the distinguished Senator from Georgia, pressed very close to the heart of the matter on January 28 last, during the course of the hearings on the bill.

He said then:

I want to make my own position clear upon it. I have never been able to see why we should not have a universal coverage if it is practicable to do it, that is, if it can be accomplished.

I agree with him; and I say further: Why do we not set about it right now? Why not have the subject investigated now?

Again, during the Senate hearings on February 27, the Senator from Colorado [Mr. MILLIKIN] put this proposition and question to a witness:

Many people hearing all these inconsistencies of theory which work into great inconsistencies of practice are suggesting that we start right out and have a pay-as-you-go system, giving dollars for every person who reaches retirement age; that we have a pay-as-you-go system, and stop calling it insurance. Put any accurate semantic on it that you want to, but cut out all this monkey business and all these confusions which result from considering as an insurance system that which is not one. Get right down to the end point of having dollars for every person who reaches retirement age, and start collecting whatever is necessary to sustain the system, and continue to do that. What do you think of that?"

I should like to answer that question as best I can. I think a special investigating body should take the matter under consideration at once.

Why pass a bill that we know is bad, despite the best efforts of the Finance Committee—and they were good efforts—when with the expenditures of a little more time we might have legisla-

tion that is good? The system that we now have has been falling ever deeper into disrepute with the passage of the years. Why make confusion worse confounded? Why attempt to make existent dishonesty, however unintentionally arrived at—and all of it certainly must have been that—even more dishonest? Why keep talking about people who are going to be old a generation hence, while under the present social security system we turn our backs upon millions who are old right now, this afternoon.

I wish to give notice now that before consideration of House bill 6000 is concluded it is my intention to move to recommit the bill to committee. This intention will become a fact if other Senators will join with me and permit me to join with them in opposing H. R. 6000. Although I have not had time to confer with many other Senators about H. R. 6000, I have reason to believe that other Senators share my views, and that very few Senators, either Senators on the committee or Senators who are not on it, are enthusiastic about that bill or are convinced that H. R. 6000 is a reasonable answer to the problem of our aged population.

Mr. President, I have no wish of any kind to add to the burdens already borne by the Finance Committee, but it would appear that this bill cannot adequately serve the real social-security needs of our Nation and of our time.

As of January 1, 1950, it was estimated that we had in this country 11,500,000 persons 65 years or older.

Out of this eleven and a half million, 2,000,000 had retired and were receiving old-age and survivors benefits. Side by side with those 2,000,000 was another and much larger crowd of old people, 2,700,000 of them, who were getting old-age assistance, which in many instances is simply means-test relief. Among the remaining 6,800,000 old persons were many other persons who were without work and in straitened circumstances—persons who, although most deserving, were unwilling, because pride is something which many Americans of any age still possess, Mr. President—to undergo what they thought was the stigma of the means test.

On the basis of the releases which the Finance Committee has given us it appears that, under the provisions of H. R. 6000, over 80 percent of the jobs in this country will be covered under old-age and survivors insurance, as compared to only 60 percent under existing law. This will mean that in future generations, when all of today's old people are dead and today's young people become aged, over 80 percent of them will get the benefits provided by H. R. 6000, as amended. In any event, despite H. R. 6000, the fact remains that out of our present 2,700,000 citizens 65 years of age or over, and now on old-age assistance, and the other millions of deserving old people no longer employed, none will be able to look, so far as I can determine, to our social security program for anything other than means-test assistance.

Social Security Commissioner Alt-meyer has often spoken of the desirability of more comprehensive coverage. But desirable though complete coverage

of people at the working ages is, it alone cannot help the present old people. Sixty percent of our working people have been covered, but less than 20 percent of our old people are receiving benefits. So many of our present old people were already old when social security started that, even if House bill 6000 had been in force since 1937, only half of today's old people, an actuary tells me, would be receiving benefits today. Something is wrong somewhere. I suggest that it is desirable, before we take any further step, to find out what the trouble is.

What is badly needed is a thorough, impartial, and completely independent investigation of two completely different aspects of our social-security problems.

First, we want an investigation not only of our present concept and method of handling old-age benefits and old-age assistance, but we want a detailed examination and report on other methods and concepts. So far, we have had no such examination and report, although various advisory councils and legislative inquiries have had social-security problems before them.

Mr. President, all of us know that our social-security system as it is presently organized is an extremely complex business. Indeed, it is so complex, with its many intricate definitions as to "average monthly wage," "quarters of coverage," "fully insured individual," "currently insured individual," and so forth, that anyone who does not spend his time keeping track of social-security procedures can get himself so snarled in the involvements of old-age and survivors insurance that he feels as though he will never get out again. The bill, H. R. 6000, proposes to add to these a host of new terms, such as "self-employment," "net earnings," "primary benefit recomputation," and so forth and so on. I think, Mr. President, you will agree with me and with a good many others—because citizens from all over the country write to us about this problem—that all these highly technical definitions make it impossible for the average citizen to understand his rights under the law, so that he is at the mercy of the large number of adjudicators in the social-security bureaucracy as to whether he will get a benefit and as to how much that benefit will be. Because of these technical complications, multitudes of contributors will fail to get benefits which they deserve and need. But more than this, the law opens the door to ingenious swindling on the part of people who do not need the benefits at all.

We may cite as an example of this swindling just one of a great variety of actual cases, reported by a reliable source. The man involved was a partner in a prosperous business and got no salary at all. He simply split the profits with his partner. Hence he could not qualify under OASI. In 1940 he discovered that all he needed to qualify was 6 quarters in covered employment. He rearranged his business so as to pay himself a salary of \$3,000, the maximum income subject to social-security tax. Of course, he found another way to divide the profits of his business with his partner as he had in the past. After 1½ years, that is 6 quarters of covered em-

ployment, he changed back to his old partnership arrangement. He retired from his covered job on July 1, 1941, after having paid the Government \$45 all-told in social-security taxes. Under the operation of the law, he was put down with a recorded wage from January 1, 1937, to July 1, 1941, a period of 4½ years. Under these circumstances he secured a pension of \$23.80 a month from the Government, and his wife, \$11.90 a month, a total of \$35.70 a month for the two of them. On May 1 of this year, 1950, he and his wife had received 106 monthly payments totaling \$3,700. They are both still alive and may get much more social security before one of them dies, or both. But up to date they have received \$3,700 in exchange for \$45 paid in taxes. This is not insurance in any language. It is a handout, and a handout got by manipulating a law wide-open to manipulation. The contention may be made that \$35.70 is not enough for two old people to live on. That is not the question at this point. This actual case was that of a prosperous man who was given a legal opportunity to shake down his Government, and who, furthermore, was invited by his Government to do it.

This illustrates the practical effect of one phase of our social-security laws. People generally are given the impression that this is insurance, that people make an appreciable contribution toward what they eventually get. This is not true. Some do and many do not.

When we turn from the complex ambushes of OASI we are faced with the fantastic growth of old-age assistance, that is, the relief paid to old people in need, who cannot qualify for old-age and survivors insurance.

Mr. President, I first began to get deeply interested in the question of what the Nation ought to do about America's aged because of what the State of Washington, which, in part, I represent, has felt it necessary to do through assistance resulting from a Federal subsidy to aged persons within the State of Washington. The knowledge of what is happening in the State of Washington has certainly convinced me, as a Senator from that State, that the Federal Government must reappraise its attitude toward social security in the hope of finding a system which it can afford and which will cover aged people wherever they may live, probably with age as the only qualification for whatever the pension to be given them might turn out to be as a result of a concrete and thoroughgoing study and investigation of the problem. Through a matching formula, the Federal Government and the States pay subsidies to provide the money for this old-age assistance. Back in 1935 many people figured that this would be a temporary affair. Many people thought that as old-age and survivors insurance got in stride more and more old people would come under the so-called insurance system, and that the sums required for old-age assistance would gradually subside. This has not occurred, and, as I have indicated, it will not occur for many years, even though coverage is extended to above 80 percent of the jobs of people of working age.

But there is another fatal defect of our social-security program which is little appreciated. This is the impossibility of financing old-age and survivors insurance realistically when the number of future beneficiaries will be so much greater than the present number. While today only 2,000,000 old people get these insurance benefits, or about one-sixth of our aged population, 50 years from now almost 20,000,000 will be receiving them, or about five-sixths of the aged population at that time.

Because of this deferred-benefit concept of social security, because today's number of beneficiaries is only about one-tenth of what it will ultimately be, we are not forced, as we should be, to look at the real cost of social-security benefits. With forty or fifty million workers paying contributions under the program and only 2,000,000 drawing benefits, it is easy to say, "Oh, then social-security benefits are cheap—we can double or triple them and still be able to finance them out of a 1½-percent payroll tax," and we ignore what the effect will be when 20,000,000 old people get these doubled or tripled benefits and the number of contributing workers may have increased only to sixty or seventy million. This ignoring of ultimate costs is the trap into which some of our so-called planners would have us fall. But I think someone's voice should be raised, saying, "Look out and beware."

Let us look into the possibility of adding to our present benefit rolls the millions of needy people now on means-test assistance or receiving next to nothing at all, before we consider raising the benefits of the 2,000,000 now on the rolls. In this way we might meet two objectives: first, that of caring for our present old people, and, second, that of getting rid of the deferred-benefit concept, which makes a realistic view of benefit costs impossible.

It is essential that we look into this possibility first rather than pass H. R. 6000 first and then investigate, as some of my colleagues have suggested. If we pass H. R. 6000 first, we are courting the very probable disaster of committing ourselves to a benefit program whose ultimate costs will be such as to mortgage the future and which can be met only by further devalued dollars.

Why should we further buttress and entrench a system which is so hopelessly unsatisfactory both now and in the future? It is unsatisfactory and cruel now because it leaves so many old people out in the cold. It will be worse than unsatisfactory in the future because it promises bankruptcy and the wreck of our entire economy.

Why not halt at this point to find out where we are going? Why not leave the system as it is for the moment, until we investigate other possible systems?

Why mortgage the future at all?

Why not consider the possibility that careful inquiry might disclose an entirely different system which would avoid the huge costs of administration and the duplication, which would substitute some other form of taxation, more simple and direct, for its support and which would give more positive security to the aged than this complicated system?

The hope of finding such a different system is the first reason for offering this resolution to investigate.

Mr. President, I am not a social-security expert. I am not an actuary. I am not a statistician. I cannot give the answers to these things. But I do know that criticism of the present system has been mounting over the years, criticism from the most responsible sources.

Only a few days ago, Leonard J. Calhoun, whom I have never met, who from 1936 to 1943 was the assistant general counsel of the Social Security Board, published a long critical essay under the title of "How Much Social Security Can We Afford?" In this essay Calhoun made some highly categorical statements. He said:

For a large number of people the system is in effect a lottery, despite the adoption of the name "insurance." Nevertheless it is compulsory.

A fine thing, Mr. President, to have a social security system which, in reality, is a compulsory lottery.

At the hearings on this bill on January 30th last, there appeared William Rulon Williamson, formerly the actuarial consultant to the Social Security Administration. Said Williamson:

H. R. 6000 sets out to make this system—

That is, our present social security system—

even more intolerable. Nothing could justify its passage. To put the fact bluntly, if old-age and survivors insurance was intended to deal significantly and effectively with the aged and orphan population, it is a flop. If it set out to avoid paying benefits, it is a success.

Again, in a prepared statement submitted to the Finance Committee during these hearings, George Immerwahr, formerly the actuary for the Bureau of Old-Age and Survivors Insurance at Baltimore, stated:

Because of its deferred cost structure, the program cannot be financed satisfactorily by either actuarial reserve or current-cost technique. The former technique is politically dangerous and economically unsound; the latter leads to popular undervaluation of benefit costs and to resulting dangers.

These are men of standing who in past time have had direct experience with the system under which we now operate.

We may turn to others who have never had any direct connection with the system but who have devoted long and careful study to it. Recall the statement of Representative CURTIS of Nebraska, a statement made last October on the floor of the House, while House bill 6000 was under discussion. Said Representative CURTIS:

The old-age and survivors insurance program is a grossly unsound and ineffective tool for the social-security purposes it attempts to accomplish. Because it is so unsound and ineffective I cannot agree that the mere extension of its coverage or a mere numerical revision of its benefit formula, such as the majority of the committee proposes, can bring about significant improvement. Instead, the very fundamentals of the program should be objectively reexamined, and to the extent that such reexamination indicates the need for drastic overhauling of the program, that overhauling

should be done, even though it proves necessary to abandon completely those concepts on which the present program rests.

Again, more than a year ago, former President Hoover, in response to requests, wrote to Chairman DOUGHTON, of the House Ways and Means Committee, when House bill 6000 was before the House in its original form. Said Mr. Hoover:

The real and urgent problem is the need group. It is not solved now, nor can it be solved for many years by the Federal insurance system, even if that system can be made to work efficiently.

Furthermore, said Mr. Hoover:

The committee, in my opinion, should undertake to establish an independent research body to provide analyses of other possible systems. It should be given a year of study. * * * A careful inquiry might disclose an entirely different system which would avoid the huge costs of administration and the duplication, which would substitute some other form of taxation, more simple and direct for its support, and which would give more positive security to the aged than this complicated system.

As for advisory committees, experience has taught us not to repeat one mistake of the past. We do not want an advisory committee of eminent men who, because of antecedent demands upon their time, are able to give only a day or so every couple of months to the question of social-security revision. We do not want the real shaping of policy, the making of fundamental decisions left to subordinate staffs. What we want are independent, competent people of standing, who are prepared to give their full time to the work and who shall receive the compensation due to persons of their experience and prestige.

Mr. President, I could continue with citations of this character, all from men of high character, of proven competence and of standing in their professions. But the citations would only serve to underscore the point already made. That point is this: That the long mounting criticism of the present system and the increasing doubts as to its stability, put upon us the responsibility for an independent investigation. We cannot ignore this responsibility any longer.

Some days ago, Mr. President, I wrote a letter to several hundred persons and organizations, all of whom in one way or another, have had direct experience with social-security problems and have given a great deal of time and thought to them.

In this letter I asked, among others, two questions:

First. Did the person addressed favor a full-dress and completely independent investigation and overhauling of the social-security system?

Second. Did the person addressed favor a detailed investigation of the merits of a universal pay-as-you-go system with age the only qualification?

The answer to both questions in a large majority of the many replies so far received, was a categorical "Yes," stated in the most unequivocal terms.

The letter which I wrote is, I think, deserving of some consideration by my colleagues and others throughout the country, and I therefore ask unanimous consent that it be printed as a part of my remarks at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

As you know, the social-security bill (H. R. 6000) which passed the House last October is now before the Senate Finance Committee and shortly will be reported out for Senate action. This bill represents the first major revision made in our social-security legislation since 1939 and is no unimportant piece of legislation. Although we do not yet have the completed Senate bill three committee releases have specified what the bill will contain in respect to old-age assistance and expanded old-age and survivors insurance coverage and benefits.

After considerable thought I have come to the conclusion that I cannot vote for a bill containing these provisions. Instead, I am urging that the social-security establishment be left as it is, pending a thorough and completely independent investigation and overhauling. This overhauling, it seems to me, should be undertaken by a commission, and carried out along the line specified by former President Hoover in his letter on social-security revision to Chairman DOUGHTON of the House Ways and Means Committee a year ago.

I have become increasingly skeptical about the present deferred-benefit system which excludes—and must continue to exclude—so many of today's aged from our so-called social insurance and gives large benefits to some who qualify after making only token contributions. Back in 1935 when the Social Security Act was first passed, it was assumed that the insurance system with reasonable promptness would cover the old people and that old-age assistance (means test relief supported by Federal subsidy) would soon pass out. The reverse has happened. The groups covered by insurance have slowly expanded; relief for destitute old people has zoomed ahead. What this amounts to is that social-security legislation has pushed many of the States, including my own, into trying to handle these problems through jerry-built relief plans, often practically unsupervised and depending, of course, on Federal subsidy.

Patching up unworkable social-security programs—as H. R. 6000 attempts to do and as any bill of the type will do—is bound to create more maladjustments than it cures. We badly need a fundamental technical study that can lead to a constructive redesign of our social-security system.

My own feeling is that an honest pay-as-you-go system with age the only qualification necessary is probably the answer. The benefit, I suppose, should be a certain number of dollars a month, small enough to indicate the normal expectation of other personal provision, and large enough to be of some significance in the income of the recipient. I set neither age nor figures; the Commission's work would have to give us the answer or the basis for an answer. I would suppose that the benefits would be financed by an earmarked tax, from the lowest earnings up to some such maximum as the \$3,000 now used in the limited, discriminatory tax now in current use. This simply means that the producing workers of the Nation are paying a tax to aid in the support of the old and by the earmarked tax each knows and is conscious of what he is paying. In no way should such a benefit be regarded as taking the place of personal thrift nor does it take the place of local charity and relief. The system ought to be designed to get the Federal Government out of the business of subsidizing relief in the States.

I am asking you, as a person whose professional interests have included social-security problems, to let me have your views on this question. I ask that you write me with all frankness about the objectives, the personnel and the method of study that

might be pursued by such a Commission as I have described above. There must be men of standing—Independent, competent, and informed in this area—who could help in this task. We ought rightly to expect that such men would represent a truly American approach to these problems, an approach which so far has been sedulously avoided by the official advisory councils.

I am persuaded that this is a matter of vital importance to the preservation of our system of free enterprise and the noncollectivist way of life.

Since the bill will be before the Senate any day now, I appeal to you for a prompt consideration of this letter.

Mr. CAIN. Mr. President, I have been literally amazed by the response and thoughtful consideration which was given to this letter. Most of those to whom I wrote are acknowledged as being American community and business leaders. Most of them act as trustees and investors of the savings of our citizens. Every one of them is qualified to express an opinion on the project of social security. I shall read none of the answers to my letter this afternoon. I shall, however, probably read to the Senate every single response before the coming debate is terminated. I shall read them not to obstruct debate and not to stretch out debate. I shall do so because in my view every one of the letters which I have received thus far is worthy of being thought about by all Members of this body.

If the junior Senator from Washington had no case of his own, and he feels that he has a soundly conceived case, a good case could be developed and offered from the answering letters to which I have just made reference. Without desiring to venture a guess as to what action will result from the coming social-security debate I wish now to express my official and personal appreciation to those who have so freely and willingly offered their social-security views to me. Those views will constitute a splendid contribution to the thinking of the Senate and of America.

When we turn to that portion of the resolution that calls for an inquiry into the management of the social-security system, I want to make myself very clear. I do not know what the facts are, but I want to know. And I think the Senate should know before we proceed further with legislation of this character.

I know that charges against the character of some of these men and about their management of the system have been freely made. We ought to have those charges examined. I want to know the circumstances by which the staff of the Advisory Council, set up during the Eightieth Congress, were selected. Was there a behind-the-scenes connection between this Advisory Council and staff and the Social Security Administration, so that, in effect, the Social Security Administration investigated itself?

I want to know more about charges that the Social Security Administration has been flagrant in its use of appropriation money for propaganda. I understand that the Harness committee scratched the surface of this a little during the Eightieth Congress, but was unable to do more. We need more than a scratching of the surface. We should know the facts about whether or not the

Social Security Administration has, for its own purposes, been manipulating and distorting its statistics and its information generally. Were actuarial studies ever censored, and, if so, by whom? Is it true that when the Advisory Council met, the only witness permitted to appear before them in person was Mr. Altmeyer?

In this respect, Mr. President, I invite the attention of the Senate to the task force report of the Hoover Commission on public welfare. It is perfectly clear from the report that the task force was gravely disturbed by what they found in respect to the slippery use of factual material by the Social Security Administration. It is significant that the task force, in calling for a complete investigation and overhauling of the social security system, submitted their proposal on the very next page following this remarkable statement:

Although the Government has in various ways suppressed false advertising by private individuals and organizations, there appears to be no agency to prevent the Government itself from supplying misleading information or withholding significant facts.

And again, said the task force:

It would be in the national interest if Members of Congress, regardless of party, felt it incumbent upon themselves to detect and expose misrepresentation or bias in Government reports.

In the matter of this task force report, Mr. President, I should like to mention a curious incident which indicates how carefully a congressional investigation would have to be conducted. It illustrates the ramifications of this troublesome problem.

Shortly after the publication of the task force report, the Washington Star, on March 29, 1949, devoted an editorial to it. In passing, the Star said:

The Hoover Commission is correct in viewing the tendency toward suppression of unfavorable facts and publicizing of the favorable as a real danger to democratic government.

A week later, on April 7, 1949, the Star published a letter from Commissioner Altmeyer denying the charges—2 days after that, on April 9, 1949, there appeared in the Star a long and detailed rejoinder to the Altmeyer letter, by Dr. Marjorie Shearon, formerly of the Bureau of Research and Statistics of the Social Security Board.

I ask unanimous consent to insert both letters at this point in the RECORD. I will not take the time to read them at the moment. I will simply say that they merely confirm the conviction that an unbiased investigation must be made.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Washington Star of April 7, 1949]

TO THE EDITOR OF THE STAR:

My attention has been called to the editorial in your issue of March 29, captioned "Publicity and Propaganda." You use as the text of your editorial a quotation from a task force of the Hoover Commission on Organization of the Executive Branch to the effect that the advocates of social security have given wide publicity to the benefits to be derived and little publicity to the costs of such benefits. I think you had a right to

assume that the report of this task force was correct. However, I think you and your readers ought to know that the allegations which you quoted from this report are wholly unjustified by the facts.

The facts are that on every possible occasion we have emphasized the increasing costs of the old-age and survivors insurance system. The board of trustees of the old-age and survivors insurance trust fund issues an annual report which shows the increasing costs of benefits. The Social Security Board (now the Social Security Administration) has issued 23 actuarial reports, each one of which brings out clearly the increasing cost. I personally have appeared before committees of Congress on seven occasions to urge Congress to permit the scheduled increase in contribution rates to occur because of the inevitably increasing costs of these benefits.

As a matter of fact, one of the principal reasons why I have always favored contributory social insurance is because it necessarily relates benefits to their costs. Therefore, it is ironical and unfair indeed to be accused of having done exactly the reverse.

A. J. ALTMAYER,
Commissioner, Social Security Administration.

[From the Washington Star of April 9, 1949]
TO THE EDITOR OF THE STAR:

This is in answer to the letter from Commissioner A. J. Altmeyer in the Star of April 7. The Hoover Commission was entirely correct in stating that advocates of social security have given wide publicity to benefits and little to the costs thereof. It is true that the Commissioner has testified on numerous occasions before congressional committees that old-age and survivors insurance benefits will prove costly. Such testimony does not constitute giving wide publicity to the excessive costs of social security. Few persons attend such hearings. As for the processed actuarial reports, their circulation is limited and only the experts can understand what they mean.

Hearings have been going on daily for weeks before the House Ways and Means Committee. Commissioner Altmeyer has been elusive. Repeatedly members of the committee have asked him what would be the long-range costs for the total social security program as planned by the Social Security Administration. Mr. Altmeyer will not reveal those figures. However, if one puts together the cost for the several proposed cash-benefits programs, plus a realistic cost estimate for the national compulsory social-security medicine plan, plus the cost of an expended program of public assistance for the needy, one arrives at a total cost estimate for the mature program of something like \$30,000,000,000 to \$40,000,000,000 a year or more.

TRUST FUND NOT INTACT

The insurance programs alone, not counting the public relief, are expected to rise to 20 percent or more of payrolls. It is conceivable that the present social security tax of 1 percent on employees and 1 percent on employers could be raised to as much as 6 percent on each. Self-employed persons (farmers, shopkeepers, lawyers, physicians, etc.) would in time pay upward of 8 percent on their incomes (one and one-half or two times as much as employed persons for the benefits received). The deficit, amounting to 8 percent or more of payrolls, would have to be paid for out of increased income taxes.

It has come out at the hearings that the so-called old-age and survivors trust fund of about \$11,000,000,000 has not been kept intact, but has been spent by the Government for routine general operations. IOU's have been substituted for the cash supposedly kept in trust. A few years hence,

when aged workers on retirement seek to obtain their benefits, the Government will be compelled to get the money from the general fund by taxing the public again, that time through their income taxes.

The law required the three trustees of the OASI trust fund to file a report on the first day of Congress each year regarding the status of the fund. Congressmen DOUGHTON, Democrat, of North Carolina, and REED, Republican, of New York, today were sharply critical of Secretary of Labor Tobin for the failure of the trustees to file this report. The trustees are the Secretary of the Treasury, the Secretary of Labor, and the Federal Security Administrator.

WANTS TRUTH TOLD PEOPLE

One of the most important things that has come out at the hearings on H. R. 2893 for the expansion of social security is that persons may pay their social-security taxes for 40 years and still not be entitled to a retirement annuity. The members of the Ways and Means Committee had not understood that, and it is fair to say that the people of the country do not so understand. Social security does not provide a retirement annuity in which the worker has a vested interest by reason of taxes paid. The worker is compelled at the present time to retire from the labor market and if he earns as much as \$14.99 in covered employment in any month, he is deprived of his social-security annuity for that month. Social security is a delusion and a snare. Its true workings and long-range costs have not been publicized. Initial taxes have been kept low in order not to scare the public. The system is not paying for itself. There is already a \$7,000,000,000 deficit because the social security has been 1 percent instead of 3 percent.

All persons who pay income taxes, whether covered by social security or not, are compelled to pay tribute to the Social Security Administration. Each year some \$200,000,000 is taken from general revenues and added to the trust fund as interest on the money theoretically in the fund. Then the public is compelled to pay interest on the \$200,000,000, because the Government immediately siphons the money out of the trust fund and begins to charge the public interest on the bonds placed in the fund. During the past 11 years over \$1,000,000,000 in interest was thus extracted from the public.

Present proposals to extend coverage have as their primary objective the bringing in of some 22,000,000 new taxpayers. The influx of new revenues into the proposed national social insurance trust fund will bail out the system for a while, but the day of reckoning will come. The bona fides of the Government will then be in question. The Social Security Administration has spent millions on publicity and propaganda in an effort to sell to the American people an expensive security system which does not, and cannot, furnish the promised benefits unless crushing taxes are imposed on every recipient of income. The people are entitled to the truth. Thus far they have not had it.

MARJORIE SHEARON, Ph. D.

Mr. CAIN. Mr. President, how can the Senate hope to deal intelligently with social-security problems if we must labor constantly under the suspicion that significant facts have been withheld from us by the Social Security Administration and that we have been supplied with misleading information?

I wish to quote once more from the task force report. The passage occurs on page 492, under the heading of "General recommendations":

The concrete recommendation that we would make is that an able, objective legislative commission be created to reconsider the entire system in all its essential aspects

and submit its findings and recommendations to the Congress and the people and that no substantial changes in the existing law be made until after that commission has reported.

This reconsideration by a legislative commission is precisely what I would like to see accomplished and I urge Senators of both parties to support such an effort. Let us make no substantial changes in the existing law until a completely independent, objective, and impartial investigation has been made, both of the system itself and the methods used to administer the system.

Some will say that the subject has been adequately investigated and that legislation should not be further delayed. They point to the advisory council appointed by the Finance Committee during the Eightieth Congress.

This council had on it several of the Nation's most competent men and women, drawn from various professions, and nothing but praise can be given to their ability and conscientiousness. But these were people who were extremely busy in their own fields of endeavor, they met for only a few brief periods, and the actual work of the council was largely done by a technical staff rather than by the council members.

A reliable source informs me that the head of this staff was a man who both before and since that time was a Social Security Administration employee, but who at the time of his appointment to the staff was working under Social Security Commissioner Altmeyer's guidance in an outside organization.

Mr. President, section 902 of title 42 of the United States Code, the title dealing with public health and welfare, reads as follows:

The Administrator shall perform the duties imposed upon him by this chapter and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.

I am told that officials of the Social Security Administration excuse anything they do, simply by pointing to this section of the statute and saying in effect, "We do what we do by virtue of the power vested in us."

Mr. President, are these things true?

This section of the statute gives authority to the Social Security Administration only to the extent of "studying and making recommendations." It says nothing about the use of propaganda among the public generally, nor does it give any permission to influence legislation in the manner which the Social Security Administration has done. Instead, such activities were expressly prohibited by other statutes.

Are we to suppose, Mr. President, that this section completely negates title 18, section 1913, of the United States Code? This law states that:

No part of the money appropriated by any enactment of Congress shall be used directly or indirectly to pay for any—device intended or designed to influence in any manner a Member of Congress, to favor or

oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

In the same way, Mr. President, does that cover-all section of the Social Security Act completely nullify title 31, section 628, of the United States Code? This section provides that—

Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

I cannot believe, Mr. President, that these statutes are rendered null and void, by a clause in the Social Security Act. If such statutes are null and void, then Mr. President, we have set up in the heart of our Government an autonomous agency beyond any possible congressional discipline and control.

For all the reasons enumerated, Mr. President, I earnestly appeal for support to all Senators. Let us let the existing law alone, until we know better what to do. We have a good and sound right, Mr. President, to take whatever time may be required to find and adopt a security system which satisfies the real needs of all of our aged, and does not place an unreasonable burden on our economy. The junior Senator from Washington hopes that a majority of us in the Senate will agree to meet the magnificent, if troublesome and complex, problem of social security head-on and do so now before we extend and expand a bad system to a point from which there can be no retreat or fundamental cure.

Mr. President, I send to the desk a concurrent resolution and ask for its proper reference.

The concurrent resolution (S. Con. Res. 92), submitted by Mr. CAIN, was received and referred to the Committee on Finance, as follows:

Whereas the Senate Finance Committee had neither an adequate staff nor sufficient time to investigate all phases of the national social-security problem, nor to make the full and complete investigation of old-age and survivors insurance and all other aspects of the existing social-security program authorized in Senate Resolution 141 of the Eightieth Congress; and

Whereas there is a growing dissatisfaction with the complexities, the shortcomings, and the inequities of our social-security system; and

Whereas numerous actuaries, economists, tax experts, and other social-security technicians, as well as businessmen and former social-security administrators maintain that the entire system is unworkable, costly, and capricious and have urged that it be reexamined and overhauled; and

Whereas there is an insistent demand for soundly financed universal pay-as-you-go pensions for the present aged who are no longer working, a demand which cannot be satisfied merely by extending coverage to more of the people who are still working; and

Whereas there is an increasing volume of informed criticism of the fiscal policies incorporated in the present Social Security Act and with their long time implications; and

Whereas there is a growing insistence in many quarters for a thorough investigation of the past and present administration of

the Social Security Act, including the staff activities in the field and in Washington; and

Whereas there is a strong conviction in the minds of many persons that the present Social Security Administration has engaged in lobbying and propaganda in violation of title 18, section 1913, United States Code, and of title 31, section 628, United States Code: Now, therefore, be it

Resolved, That there be created a Social Security Commission to advise the Congress and to provide the impartial, technical knowledge required by the Congress in its deliberations, said Commission to consist of 16 members, one-fourth of whom shall be nominated by the President of the Senate, one-fourth by the minority leader of the Senate, one-fourth by the Speaker of the House, and one-fourth by the minority leader of the House.

SEC. 2. The Commission is authorized and directed to make an exhaustive study of the past and present operations of the Social Security Act and of other methods of providing for the aged, the blind, dependent children, and other dependent individuals with a view to proposing a simple, financially sound method of dealing with the problems of dependency.

SEC. 3. The Commission is authorized to sit and act at such places and times and during the sessions, recesses, and adjourned periods of the Eighty-first Congress and of the first session of the Eighty-second Congress, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 4. The Commission is authorized, with the approval of the Committee on Rules and Administration, to request the use of the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government in the performance of its duties under this resolution, but is enjoined from employing any person on its technical staff who has been in the employ of the executive branch of the Government at any time during the year preceding the enactment of this resolution.

SEC. 5. The Commission shall report its findings with respect to the lobbying activities of the Social Security staff and shall make such recommendations for such legislation as it may deem advisable, to both Houses of the Congress at the earliest practicable date, but not later than April 1, 1951.

SEC. 6. The expenses of the Commission under this resolution, which shall not exceed \$100,000 shall be paid out of the contingent fund of the Senate and the contingent fund of the House, one-half from each fund, upon vouchers signed by the Chairman of the Commission.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

Mr. CONNALLY. Mr. President, in accordance with the unanimous-consent agreement, I move that the Senate stand in recess until 11 o'clock tomorrow.

Mr. MALONE. Mr. President—

The PRESIDING OFFICER. Will the Senator yield to the Senator from Nevada for a moment?

Mr. CONNALLY. I yield for a question.

Mr. MALONE. I should like to have about 2 minutes, or 3.

Mr. CONNALLY. The Senator has had 2 hours or 3 hours already.

Mr. MALONE. What difference does it make?

Mr. CONNALLY. What is it the Senator desires to discuss?

Mr. MALONE. If the Senator from Texas is interested, what the Senator from Nevada is about to say, if he will wait a couple of minutes, will be very clear.

Mr. CONNALLY. I understand, but what is it about?

Mr. MALONE. It is about the subject in hand, and about the way we are proceeding.

Mr. CONNALLY. I yield.

Mr. MALONE. That is very kind of the Senator.

The PRESIDING OFFICER. The Senator from Nevada.

THE WASHINGTON SCENE—NO COMMUNITY SENTIMENT

Mr. MALONE. Mr. President, national legislation should reflect the wishes of the war veterans, the workers, and the farmers, rather than the wishes of official and unofficial Washington, D. C. There is no American community sentiment in Washington. The people who stay in Washington a considerable length of time get too far away from the thoughts and feelings of the Americans across the Nation who must earn their living the hard way—98 percent of the residents have not the slightest idea of how the people west of the city limits make a living.

In passing upon each of the policy and appropriation bills the Congress should consult the people back home regarding the true issues involved, who are far enough removed from Washington to have a balanced opinion, not colored by local prejudices put on them in Washington.

Traveling over the country and talking particularly with war veterans, workers, and farmers, I find that the people have not changed, that they are still as sound as ever. The Congress could not go far wrong on fundamental problems if it would only keep in close contact with these three groups of Americans.

For one thing, I have found that these three groups are opposed to the coddling which the subversives too often receive in Washington. They cannot understand why it seems so easy for one accused of being a red sympathizer to get the backing and smile of approval of prominent officials in the Government. I find that the American people still have the highest respect for patriotism.

In my opinion, the Congress stays in session too long. More of our time should be spent at home, in the mills and mines and factories, on the farms and on the home town streets, catching up on what is going on in the American mind.

Furthermore, I believe we should turn back to the States many of the things which we try to regulate here in Washington, D. C., where public sentiment is the criterion for settling controversial issues. There is no community sentiment in Washington.

Mr. President, I ask unanimous consent to have inserted in the RECORD at the end of my remarks this afternoon resolutions adopted by groups in the State of Nevada.

The PRESIDING OFFICER. Without objection—

Mr. CONNALLY. Mr. President, wait a minute. In the Appendix of the RECORD, or the body?

Mr. MALONE. I did not say in the Appendix. I said to be inserted at the end of my address this afternoon.

Mr. CONNALLY. I object to them going in the body of the RECORD. If the Senator wants them to go in the Appendix, very well.

Mr. MALONE. Then I will read the resolutions.

Mr. CONNALLY. I will not yield for that purpose. I yielded for 2 minutes, and the Senator has taken 10 minutes.

Mr. MALONE. Mr. President, a point of order.

Mr. CONNALLY. The pending motion is that the Senate take a recess.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CONNALLY. I renew my motion that the Senate stand in recess in accordance with the unanimous-consent agreement.

Mr. MALONE. Mr. President, a point of order.

The PRESIDING OFFICER. The motion to recess is not debatable.

Mr. MALONE. Very well. Then let us put it to a vote. Is that possible?

Mr. CONNALLY. The unanimous-consent agreement controls.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas. All those in favor of the motion will say "Aye."

Mr. CAIN. Mr. President, will the Senator yield before calling for a vote? It is my understanding that the Senator from Texas has been misinformed, that the situation is simply this, that it was unanimously agreed that at the close of business today the Senate would recess until 11 o'clock a. m. tomorrow. But it likewise is my understanding that the Senator from Nevada has been transacting a part of today's business, and there is no prohibition, so far as I know, against the Senate remaining in session until any of its Members have completed whatever work they desire to transact.

Mr. MALONE. I thank the Senator from Washington.

The PRESIDING OFFICER. In the opinion of the Chair the acting minority leader is correct in his interpretation of the order of business under which the Senate is proceeding. The Chair recognizes the Senator from Texas.

Mr. CONNALLY. I made a motion.

The PRESIDING OFFICER. The Senator yielded 2 minutes to the Senator from Nevada, and the motion before the Senate at the time he yielded was that the Senate stand in recess until tomorrow at 11 o'clock, under the unanimous-consent agreement.

The Senator from Texas objected to a consent agreement to insert some resolutions which had been adopted by certain groups in Nevada, and because of that objection, the Senator from Nevada was going to read them, but the Senator

from Texas refused to yield further, and move to recess. The motion is not debatable. The Chair was putting the motion to a vote—

Mr. CAIN. I asked ahead of that if the Chair would not withhold putting the question until I could ask to have a ruling on the unanimous-consent agreement.

The PRESIDING OFFICER. If the Chair may be privileged to make this type of a remark, the Chair believes that if the Senator from Texas knew the contents of the resolutions the bodies in Nevada had adopted, the Senator from Texas would not object, as the Chair presumes they were resolutions by farm organizations.

Mr. MALONE. By a farm organization, a labor organization, and a wool organization in another State.

The PRESIDING OFFICER. The Chair is sure the Senator from Texas did not know the contents of the resolutions.

Mr. CONNALLY. Mr. President, I shall consent to the request, but shall not yield any further.

The PRESIDING OFFICER. Then, without objection, the insertions will be made in the RECORD in accordance with the request of the Senator from Nevada.

Mr. MALONE. I thank the Chair.

RECESS

Mr. CONNALLY. I move that the Senate stand in recess until 11 o'clock tomorrow.

The motion was agreed to; and, at 6:18 o'clock p. m., the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, May 25, 1950, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 24 (legislative day of March 29), 1950:

DEPARTMENT OF COMMERCE

Maj. Gen. Philip B. Fleming, United States Army, retired, to be Under Secretary of Commerce for Transportation.

CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii. Judge Buck is now serving in this post under an appointment which expired April 13, 1950.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 24, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the great prayer-hearing and prayer-answering God, grant that this moment of communion with Thee may be for each of us a time of self-examination and self-discipline.

May we have the courage to face ourselves and search our minds and hearts. May we seek to understand more clearly what manner of human beings we really are and how far short we fall of what

Thou wouldst have us be in our relationship to Thee and our fellow men.

We humbly confess that we are often so indifferent and thoughtless toward Thee and that in a world with its many desperate needs and longings, our natures and attitudes are frequently so selfish and self-centered, so cold and cynical, so blunt and brutal.

We pray that a loftier vision and a nobler spirit may possess and rule our lives. Show us how we may control and conquer and crucify every insurgent impulse, every inordinate affection, every evil propensity, and every unholy desire.

In the name of the Christ our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50-23.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON, Mr. THOMAS of Texas, Mr. NORRELL, Mr. WHITTEN, Mr. TABER, and Mr. WIGGLESWORTH.

SENATE COMMITTEE ON BANKING AND CURRENCY

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 183) to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That service or employment of any person as an attorney, or assistant, on a temporary basis to assist the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in the study ordered by Senate Resolution 219, agreed to on February 8, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from New York explain the purpose of the resolution?

Mr. CELLER. This is similar to other bills we have passed heretofore to facilitate the employment by a Senate committee of certain counsel. Involved in this bill is the committee presided over by Senator FULBRIGHT investigating the RFC. Under Federal statute, if counsel is employed he is for a period of 3 years thereafter precluded from bringing certain actions against the Government. This legislation would relieve him of that prohibition.

I have already cleared the bill with the ranking member of the House Committee on the Judiciary, the gentleman from Michigan [Mr. MICHENER], with the acting majority leader on the Democratic side the gentleman from Tennessee [Mr. PRIEST], and with the minority leader on the Republican side, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. WOODRUFF addressed the House. His remarks appear in the Appendix.]

PRIVILEGE OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER pro tempore. The gentleman will state the question of privilege.

Mr. HOFFMAN of Michigan. Mr. Speaker, in the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, on page A4071 under date of Thursday, May 18, 1950, under the caption "We will meet the

test," there appears an extension of remarks of the Honorable ANDREW J. BIEMILLER, of Wisconsin, which is a violation of the rules of the House in that in those remarks and in the editorial accompanying those remarks a Member of the other body is mentioned in such manner as to reflect upon him in his representative capacity. Such remarks and editorial as inserted in the CONGRESSIONAL RECORD are made a part of this question of privilege, are a violation of the rules of the House which prohibit any reference in the CONGRESSIONAL RECORD by a Member of this body to a Member of the other body.

The resolution which I offer is that such remarks be stricken from the Appendix.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Whereas the remarks of the gentleman from Wisconsin, Mr. BIEMILLER, which appear on page A4071 of the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, and which are captioned, "We will meet the test," are a violation of the rules of the House: Therefore be it.

Resolved by the House, That said remarks as so indicated be, and the same hereby are, stricken from the RECORD.

Mr. HOFFMAN of Michigan. Mr. Speaker, do I get recognition?

The SPEAKER pro tempore. The gentleman is recognized.

Mr. HOFFMAN of Michigan. Mr. Speaker, I do not care to argue the resolution. The gentleman from Wisconsin was notified that I would raise this question. I think it is a clear violation of the rules, perhaps through inadvertence. If the gentleman cares to withdraw the remarks, all right. That is the point I wish to make.

Mr. BIEMILLER. Mr. Speaker, will the gentleman yield so that I may make a brief observation?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Wisconsin.

Mr. BIEMILLER. Mr. Speaker, I would like to observe that from time to time the RECORD has contained many pieces referring to a number of Senators which have been inserted by Members of the House. I am cognizant of the fact that there is no question but what the remarks I made were a technical violation of the rules of the House. I think other Members have done the same thing under similar circumstances.

Mr. HOFFMAN of Michigan. Mr. Speaker, I realize that statement is true. I have in my hand this morning, for instance, an extension which I was going to put in referring to a Member of the other body in laudatory terms. Perhaps that would be a violation of the rule so the extension has not been offered. My only purpose is to prevent attacks upon Members of the other body which reflect upon their integrity.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. The gentleman from Wisconsin has not finished his statement.

Mr. RANKIN. I want to say to the gentleman from Michigan that you have no right to even compliment a Senator on this floor.

Mr. BIEMILLER. Mr. Speaker, if I may continue for a moment. As I said, I recognize this is a technical violation, but there have been many such in the RECORD. If we are going to observe the rules at all we ought to observe them generally across the board. In view of the fact a point has been raised in reference to my insertion, I ask unanimous consent that the article referred to be withdrawn from the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman withdraws his resolution?

Mr. HOFFMAN of Michigan. Yes.

The SPEAKER pro tempore. The Chair may say that the same situation applies to the other body, too. The Members ought to be careful about reference to Members of the House. That observation is not in connection with the gentleman's resolution. It is just simply a general observation that the other body should be careful about its references.

Mr. HOFFMAN of Michigan. I assume the Speaker's observation is not made by way of instruction or admonition to the other body.

Mr. Speaker, I have another question of the privilege of the House, and it refers to the gentleman from Ohio [Mr. HAYS]. I notified him of my intention. It has reference to his remarks on page A4078 of the RECORD.

The question and the resolution are as follows.

Mr. Speaker, in the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, on page A4078, under date of Thursday, May 18, 1950, under the caption, "Investigation of communism," there appears an extension of remarks of Hon. WAYNE L. HAYS, of Ohio, which are a violation of the rules of the House in that in those remarks and in an editorial accompanying those remarks, a Member of the other body is mentioned and referred to in such a manner as to reflect upon him in his representative capacity.

Such remarks and the editorial as inserted in the CONGRESSIONAL RECORD, and which are made a part of this question of privilege, are a violation of the rules of the House which prohibit any reference in the CONGRESSIONAL RECORD by a Member of this body, to a Member of the other body.

The resolution which I offer asks that such remarks be stricken from the Appendix of the RECORD.

Whereas the remarks of the gentleman from Ohio [Mr. HAYS], which appear on page A4078 of the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, and which are captioned, "Investigation of communism," are a violation of the rules of the House: Therefore be it.

Resolved by the House, That said remarks as so indicated be, and the same hereby are, stricken from the RECORD.

I would like to ask the gentleman from Ohio [Mr. HAYS] whether he wishes to take action similar to that taken by the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, I also recognize that the statement which I inserted is a technical violation of the rules. The remarks which were made were not, in my opinion, particularly offensive to the gentleman in the other body, and I might say, not anywhere near as offensive, not one-tenth of 1 percent as offensive as some statements I have made from the public platform without congressional immunity about the aforementioned gentleman. With that statement, I ask unanimous consent that the remarks be withdrawn.

Mr. HOFFMAN of Michigan. Just a moment. This is just a rehash of the same thing.

Mr. HAYS of Ohio. I did not mention anybody's name.

Mr. HOFFMAN of Michigan. I know, but I know what he was driving at.

Mr. HAYS of Ohio. Of course, Mr. Speaker, we both know who I was driving at.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, I would like to make this statement. I think the House should be informed on the situation. There is nothing in the rules of the other body to prevent them from making attacks on any individual Member of this House. Time and time again attacks have been made on Members of this House by Members in the other body. I think the rule should apply both ways. For instance, what would we do in a situation where a Member of the House is attacked by a Member of the other body in the other body? What redress has the House Member? He cannot reply from the well of this House. So, we have no redress, and I think it is time that the House defended itself on these matters. If a Member of the other body can attack a Member of this House under their rules, and a Member of this House cannot stand up here and defend himself against such an attack, without even mentioning the name of the person who attacked him in the other body, then just what are we coming to? I think this House has certain, definite responsibilities to live up to, and this business of not being permitted to mention the word "Senate" is becoming mighty silly in the eyes of the American people.

Mr. RANKIN. Mr. Speaker, further reserving the right to object, the Senate does have such a rule. The Senate has the same rule on comity the House has. We had that question up years ago. A Member of the other body criticized a Member of this body, and when the rule was called to his attention he immediately arose and withdrew his remarks.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object further, the gentleman from New York [Mr. MARCANTONIO] is completely mistaken, because I recall very distinctly standing in the well of the House where I am standing now and objecting to a statement made in the other body, by a Member of that body, and his statement was stricken from the RECORD.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from New York.

Mr. MARCANTONIO. That may have been done by agreement by conference, by understanding, but I am telling you now that there is nothing in the rules in the other body that prevents an attack by name on a Member of this House, and I stand by this statement.

The SPEAKER pro tempore. The Chair made an observation that covers that situation, and I am sure the leadership and the Members of the other body would at least give a little weight to what I consider to be at least one sound statement that I have made during the years I have been in this body.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REED of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. REED of New York. Mr. Speaker, it might clarify matters a little if our Parliamentarian would state what the Senate rule is.

The SPEAKER pro tempore. The Chair is sure the gentleman does not want to put the Parliamentarian in the embarrassing position of making such a statement. The Chair is very conversant with the views of our able and outstanding Parliamentarian. The Chair, recognizing his great knowledge, ability, and logic, has been following the suggestions and advice of our Parliamentarian very carefully.

DEDICATION OF MEMORIAL TO THE LATE CONGRESSMAN GEORGE J. BATES

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it is my humble privilege to report that a fitting memorial to our late colleague, Congressman George J. Bates, was dedicated on May 20, 1950, in his home town of Salem, Mass.

As one of several Members of Congress present, including EDITH NOURSE ROGERS, PHILIP J. PHILBIN, JOHN F. KENNEDY, and HAROLD D. DONOHUE, I was most impressed by the sincere and moving eulogy delivered by the Honorable DEWEY SHORT, of Missouri. It was the speech of a friend who mourns but, in that affection born of reverence, makes all his hearers share in the many fine qualities of a great public servant who has been called to his reward.

Deep in our subconscious, Congressman SHORT's heart-warming words touched us in a way that will live on and inspire us to emulate that high personal integrity and devotion to duty which were the outstanding characteristics of the man in whose honor he spoke. For the members of the Massachusetts delegation, for the citizens of the Sixth Massachusetts District, for the friends and

relatives of George Bates, I want to express our deep appreciation to the gentleman from Missouri for his memorable tribute.

May 20 was the day that historic Salem had been planning for, ever since the tragic news broke in early November 1949 that her most distinguished son, George Bates, had sacrificed his life while en route to Washington on a mission that he regarded as his most solemn responsibility—that of keeping the defenses of these United States at their highest peak of efficiency.

With rare felicity, the day chosen for the dedication of a memorial to George Bates coincided with the observance of Armed Forces Day. This, in itself, was recognition of the singular service which he rendered to the Nation as a whole.

And so they marched in Salem on May 20, in honor of the armed forces and in honor of their faithful friend in the Congress. Members of the United States Army, Navy, Air Force, Coast Guard, National Guard, the Reserves, and Gold Star Mothers—these formed the escort division followed by the neighbors and friends of George Bates from every walk of life.

From Salem Common they paraded to the United States Naval Reserves Training Center on Derby Street where the memorial was dedicated.

Representatives of three faiths, Commander Leonard A. McMahon, United States Naval Reserve, Maj. Frank A. Crandall, United States Army, retired, and Lt. Abraham Kazis, United States Army Reserves, delivered respectively, the invocation, the prayer, and benediction.

The speakers included Lt. Comdr. Lawrence H. McGovern; Francis J. Lynch; Mayor Francis X. Collins, of Salem; Col. Roland W. Estey; Col. George J. O'Shea; Maj. Gen. Glen O. Barcus; Commander John F. Harding; Rear Adm. Howlett Thebaud; Ralph C. Browne; Mr. J. Duncan Phillips; the Honorable Dewey Short, of Missouri, who was the orator of the day; and the Honorable William H. Bates, son and successor of our departed colleague.

George Bates loved the sea near whose shore he was born and bred. He loved the Navy. And he grew up with the firm conviction that our security and progress as a Nation, depends on both.

The men of the United States Navy have not forgotten his conscientious service in their behalf.

They have dedicated a memorial at the United States Naval Training Center in his beloved city in his name, under circumstances that will be a treasured recollection for all who were there on that day.

For the generations that will follow us there is this to inspire them.

Integrity and ability, combined with generosity and friendliness made George J. Bates the respected and well loved character that he was. A life-long native of Salem and a product of her public schools, he served a long term in the Massachusetts House of Representatives. For 13 most difficult years, he was one of the best mayors Salem ever had and was then elected to Congress. There, as a member of the Naval Affairs Committee, he gave vigor and intelligence to the

preparation of our Navy for the great contest then hanging over us. In whatever position he was placed, he made it his aim to study and master the job so he could do his duty fearlessly, intelligently, and effectively. Nothing better can be said of any public servant.—JAMES DUNCAN PHILLIPS.

SPECIAL ORDER GRANTED

Mr. FELLOWS asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

LOOK UNDER YOUR BED

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FELLOWS. Mr. Speaker, have you seen the morning paper? I have just read what our distinguished Attorney General said at a meeting which he attended. He said we do not have to worry about the enemies of America and not one of us needs to look under our bed, because there is nobody there. But look at what somebody found under the bed only yesterday. The headline says: "FBI seizes man as aid of A-Spy Fuchs—Philadelphia suspect confesses to contacts."

Mr. Speaker, I am going to continue to look under my bed.

LOAN TO ARGENTINA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, it is a sad commentary as we come to another Memorial Day and pay tribute to the hundreds of thousands of Americans who lost their lives in war to learn that \$125,000,000 has been handed over to Dictator Peron, of Argentina.

Peron, the tyrant, the steadfast supporter of the Nazi-Fascist Axis, represents everything against which Americans laid down their lives in World War II. Does anyone contend there is freedom in Argentina today? On the contrary, Dictator Peron has strangled free speech, freedom to assemble, and freedom of the press. Yet, when this enemy of freedom faces a financial crisis, a crisis that could well end his tyranny, the tax dollars of the citizens of this country are rushed to his rescue.

In justification for this action, Assistant Secretary of State Edward Miller is quoted as voicing the hope that the United States can learn to work with the Government of Argentina.

Why were we not told that we should learn to work with Hitler, Mussolini, and now Stalin?

Mr. Speaker, I suggest that those who engineered this deal and those who approve it ought to stand, hat in hand in Arlington Cemetery on Tuesday and beg forgiveness from the men who lie there for this betrayal and moral sell-out.

SIGH-OF-RELIEF DAY

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, I have heard proposals that May 28 be celebrated every year as a holiday called Sigh-of-Relief Day. I disagree. I believe May 28 should become a day of national mourning—a monument to the morality that has been lost from our Federal Government.

On this Sunday, May 28, the 3-year statute of limitations will run out on the Kansas City ballot thefts, which took place on the night of May 27-28, 1947. On Sunday the gangsters who blew up the election commissioners' vault and the politicians who paid them to do it will enjoy complete immunity for the rest of their lives.

Let me tell you a few of the circumstances of the ballot thefts. They were stolen from the county courthouse in downtown Kansas City. In the same building is the sheriff's office, where deputies are always on duty. The courthouse is across the street from the police department. A truck must have been used to haul the ballots away. And, finally, the President of the United States was sleeping only five blocks away.

Is that the kind of crime that cannot be solved? Not at all. The only other answer is somebody did not want to solve it. The stolen ballots would have sent 71 vote crooks, mostly members of the Pendergast machine, to prison. President Truman boasts he is still a dues-paying member of that machine.

This Sunday, May 28, will be a day of shame for every citizen. He has been betrayed by his own Government.

OBSERVANCE OF HOUSE RULES

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I would like to tell the gentleman from Michigan [Mr. HOFFMAN] that I expect hereafter to observe all the technicalities of the rules of the House.

As to the spirit of the rules, I would also like to tell the gentleman that I will be guided by his example because I think I can say without fear of contradiction that the gentleman from Michigan has made more poisonous remarks in the well of this House about more decent people, from the President of the United States on down, than any 10 Members I have heard since I have been here.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

NO. 3

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, if I were a young man eager to go into business for myself and looking for the right place, I would set up a whitewash store in Kansas City. I could feel absolutely certain of doing a rushing business as long as the present administration remained in power.

Just think for a moment of the whitewash that was used on the ballot thefts in 1947. The vault in the office of the election commissioners was blown up, and this was done right under the noses of the county sheriff, the city police department, and the Secret Service, who were guarding President Truman as he slept five blocks away.

After much prodding, the Justice Department supposedly made an investigation, but you can judge its quality by the fact that not one arrest has been made. On this Sunday, May 28, the 3-year statute of limitations will run out. The perfect crime will be complete, thanks to one of the most thorough whitewash jobs in the history of the country.

The whitewash boys will still have plenty to keep them busy. On April 5, a gangster named Charles Binaggio was murdered. He was under subpoena by a Federal grand jury at the time. If he had lived, his testimony undoubtedly would have involved other members of the Kansas City crime-and-politics gangs. Yet the Federal Government, from top to bottom has refused to lift a finger toward solution of the murder. They flatly refuse to permit the FBI to enter the case.

Once again the whitewash is being applied, and it is going on so thick that it is visible from coast to coast.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, this time is taken to express to the gentleman from Ohio [Mr. HAYS] my very deep appreciation of his effort to teach me the rules of the House, advise me as to the ethics which should govern Members of the House.

Not knowingly, certainly not intentionally, have the rules of the House or of good conduct been violated by me.

Not knowingly has reference ever been made by me to any Member of this or the other body in terms which might be considered derogatory.

As a former teacher of history and public speaking, as a former mayor of Flushing, Ohio, as a former State senator, the gentleman from Ohio [Mr. HAYS] is undoubtedly well qualified to advise me, perhaps other Members of the House, of the good conduct rules which should govern us all.

Inasmuch as "to err is human, to forgive, divine," permit me to state now that, if any Member of this or the other

body can and will call my attention to any statement in the Record where the ability, the judgment or the motives of any Member of this or the other body has been questioned by me, an apology will be immediately forthcoming.

Most humbly it is suggested that the gentleman from Ohio [Mr. HAYS] will be so generous, and doubtless he will, as to follow the last half of the above quotation and forgive, if forgiveness be necessary, any action which has offended his acute sensibilities.

As suggested when the resolutions referred to by the gentleman were offered earlier in the day, it was with no intent to criticize any Member of the House—merely to prevent criticism of Members of the other body in violation of the rules of the House.

Members will recall that it was then expressly stated by the Member from Michigan that perhaps he had himself inadvertently violated those rules.

Permit me to express the hope that the gentleman from Ohio [Mr. HAYS] will be charitable and considerate of me, for it must be confessed that, since coming here in 1935, notwithstanding continuous service in this body from that day to this and the kindly advice of some of the older Members—there are still many phases of the rules of the House and of the niceties of speech and conduct on the part of Members which have not yet been fully mastered by me.

Since becoming a Member of the House, on the 3d of January 1949, the gentleman has shown a very unusual and eager willingness to advise some of us as to how we should conduct ourselves. It is my purpose in speaking now to let him know that his efforts in my behalf have not gone unnoticed. Doubtless, many other Members of the House are equally obligated to him, appreciative of his instruction.

Permit me also to thank the gentleman from Ohio [Mr. HAYS] for the very high compliment paid me, but which my humility in his presence forbids accepting, when he said, in substance, that he doubted that any 10 Members of the House had expressed more or bitter criticism of the policies of the New Deal, the Fair Deal, or of the pinks and the reds who may have been or who might be with the administration.

Permit me also here and now to advise the gentleman from Ohio [Mr. HAYS] that, from the well of the House and elsewhere, at every possible opportunity, avoiding criticism of Members, I will endeavor to redouble my efforts to point out the fallacies in the policies of those who, although in full charge of our Government, did not keep us out of World War II—those who failed to negotiate the peace which should have followed World War II; who now have not only given us national bankruptcy and inflation, but a policy which may well involve us in world war III.

My efforts along the lines which I have followed in days gone by will be continued. It is my hope that they will be made with greater vigor, more cogent logic, and better results.

Those efforts will be continued until we get out of public office, where I think they are doing so much to destroy the

liberties of the individual, the security of our Republic, all of the homosexuals, the queer people, the pinks, the left-wingers, the New Dealers, the Fair Dealers.

Until constitutional government is restored to the people or until death closes my mouth, the free speech guaranteed to me by the greatest document ever written will be exercised, always, however, with the advice of the gentleman from Ohio in mind.

THE KANSAS CITY, MO., BALLOT THEFTS

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER pro tempore. Without objection, the gentleman from Kansas is recognized for 1 minute.

There was no objection.

Mr. SCRIVNER. Mr. Speaker, with all of these comments being made on the floor today about the ballot-box thefts, gang murders, and racketeering in Kansas City, it should be distinctly understood by the Members of the House, and by the public generally that these references to Kansas City are Kansas City, Mo., not the fair city of Kansas City, Kans.

ARREST OF HARRY GOLD

Mr. VELDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Speaker, the gentleman from Maine [Mr. FELLOWS] sort of stole my thunder regarding the matter I want to bring out, but I want him to know that I, too, was startled at reading the news in this morning's press and hearing it over the radio concerning the arrest of Harry Gold on a Federal warrant charging espionage and conspiracy to obtain United States atomic bomb secrets. I want to assure the gentleman from Maine [Mr. FELLOWS] that I, too, will not become complacent about this matter as Attorney General McGrath has suggested. I, too, will continue looking under my bed every night.

Believe it or not, this is the first arrest made in the United States of any person on the charges of peacetime espionage or conspiracy to commit espionage or attempting to obtain secrets of the atomic bomb.

This is an outgrowth of the famous Comrap case which had its origin in San Francisco in March 1943, or 7 years ago, when scientist X, now identified as Joseph W. Weinberg, conveyed atomic bomb information to one Steve Nelson, an American leader of the Communist Party. The investigation after 1943 of this Russian espionage ring and the Communist apparatus disclosed that there were hundreds of Russian spies and American Communists in the United States during the war. A good many of them have since escaped from the United States and have gone to foreign shores, including such nationally known spies as Arthur Adams, Andre Schevshenko, Gerhart Elsler, and others. Just prior to the announcement of the arrest of Harry

Gold, according to news reports, United States Attorney General J. Howard McGrath declared that the FBI is fully alert and fully in action day and night to combat communism and espionage. He added that all of you may rest secure—you do not have to look under your beds every night.

Now, there are a number of questions that the American people would probably like to ask Mr. J. Howard McGrath, who represents the Department of Justice, and to some extent our internal security policy.

For instance, if the FBI knows all the Communists and espionage agents in this country, and I assume it does, why then was not our internal security protected a long time ago? Why have we waited so long to make this first arrest? Why did we allow these Russian agents to convey our atom secrets to Moscow under the very eyes of the State Department and the Department of Justice? Why are we now locking the gate after the horse is stolen? The answers to these questions are simple.

During all these years President Truman and the whole administrative branch of government have been operating under a red-herring—witch-hunt policy and still seem to be clinging to it and attempting to defend past mistakes. It is high time our President and the Attorney General of the United States admit their mistakes, reverse their red-herring policy and begin one of positive law enforcement, especially insofar as communism and espionage circles in government are concerned.

Attorney General McGrath, according to the press, also made a statement with reference to Communists in the employ of the Government today. He said "We know of none in the employ of the Government today." This is a bold and daring statement and seems outrageous in view of the fact that the Un-American Activities Committee has only recently turned up three witnesses who have positively stated that William Remington, a present employee of the Department of Commerce, United States Government, was a member of the Communist Party.

Of these witnesses, Elizabeth Bentley testified that William Remington had conveyed to her vital war secrets during his employ with the Department of Commerce.

Mr. McGrath certainly knows too that the New York Federal grand jury has been busily engaged investigating the case of William Remington. One could well imagine the tremendous impact the words of Attorney General McGrath will have on the Federal grand jury in New York City when they come to decide whether or not to indict William T. Remington for perjury for his denial that he was ever a member of the Communist Party. As the high law enforcement official in our Federal Government and supervisor of the New York grand jury, I feel that Mr. McGrath should withdraw his statement, at least until the Remington case is disposed of.

PERMISSION TO ADDRESS THE HOUSE

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. TOLLEFSON addressed the House. His remarks appear in the Appendix.]

THE GENERAL MOTORS-UAW WAGE CONTRACT

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker; the story in this morning's papers about the General Motors-UAW-CIO wage contract is indeed good news. It is an example of what we in the United States can expect when enlightened management sits down together with labor spokesmen and works out a problem. This is a fine settlement which bodes well for the future and will probably have an effect on labor-management relations in other fields. I am not surprised that it is not welcome to those like the gentleman from Michigan [Mr. HOFFMAN] who have been worried for years that the demands of laboring men were going to ruin America, that it was impossible for us to prosper under the New Deal. General Motors has prospered as no other firm has in America. The UAW has become firmly entrenched in American labor affairs and these two groups have been able to sit down together and work out a fine agreement. I think we all ought to compliment them on that act.

I include an editorial from the New York Herald Tribune of May 24 which expresses the opinion that the contract points to a period of stability in American industrial relations:

SURPRISE SETTLEMENT

The settlement between the General Motors Co. and the United Automobile Workers comes out of closely guarded negotiations and falls with considerable surprise on the public. It is important, obviously, not only for this single immense company, employing 250,000 men across the country, but for the automobile industry and for the economy as a whole as an indication of the fifth-round pattern. Mr. Walter Reuther called the agreement the most significant ever achieved by the union, and his enthusiasm was echoed by the company, the price of whose stocks rose to the highest levels since 1929.

Perhaps the most significant aspect of the settlement is the comparative ease with which it was worked out and the length of time—5 years—for which it runs. Expectations of a period of high production and employment and of general prosperity is reflected here. It is only when confidence is strong that labor and management can agree to a long-term program, and that economic concessions are viewed with almost as much satisfaction by the company as they are by the laborers themselves.

The concessions in this case are substantial—19 cents an hour, according to Mr. Reuther's estimate. They include annual wage boosts of 4 cents an hour, pensions which, together with government insurance, may be as much as \$117 a month, and other social benefits. Significantly, the contract

continues the cost-of-living wage adjustment, upward or downward according to the price level, a provision sound in principle which labor had threatened to oppose as involving the possibility of wage cuts.

Although the terms of this agreement cannot be heedlessly duplicated in companies less strong than General Motors and in industries where a continued high demand is not equally assured, the example set will have a wide influence. The settlement points to a period of stability in industrial relations which can hold immense advantages for the country.

GENERAL MOTORS-UAW AGREEMENT

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, I, too, was delighted to read in this morning's paper of the amicable settlement between the UAW-CIO leaders and the General Motors Corp. I was delighted particularly because this amicable settlement was arrived at under rules laid down by the Taft-Hartley Act. It is an evidence of the fact that the Taft-Hartley Act is an excellent one when its rules and regulations are abided by. That is the thing that was particularly pleasing to me. It is an evidence of the fact that the Congress was not mistaken when it passed that act. When labor and management sit down together and follow the procedure laid down in the Taft-Hartley Act, and abide by the rules and regulations of that act, we will be assured of many more amicable labor-management agreements. This agreement demonstrates the value of the Taft-Hartley Act, and points the way to better labor-management relations.

EXTENSION OF REMARKS

Mr. HART asked and was given permission to extend his remarks in two instances and include in one an editorial and in the other an address by the commander in chief of the Veterans of Foreign Wars.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in two instances and include newspaper editorials.

Mrs. KELLY of New York asked and was given permission to extend her remarks and include a speech by Mr. EMANUEL CELLER.

Mr. GORSKI asked and was given permission to extend his remarks and include a letter received by him.

Mr. TAURIELLO, Mr. POTTER, and Mr. VURSELL asked and were given permission to extend their remarks and include newspaper articles.

Mr. WALTER asked and was given permission to extend his remarks and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mrs. ST. GEORGE (at the request of Mr. REED of New York) was given permission to extend her remarks and include an editorial.

Mr. REED of New York asked and was given permission to extend his remarks in two instances and include extraneous matter in each.

Mr. ADDONIZIO asked and was given permission to extend his remarks in two instances and include an editorial and a report on the Midcentury White House Conference for Children and Youth.

Mr. LICHTENWALTER asked and was given permission to extend his remarks and include an address, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost \$218.68.

Mr. MULTER asked and was given permission to extend his remarks and include an article, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost \$205.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks and include a newspaper item.

Mr. EATON asked and was given permission to extend his remarks and include an address by the Prime Minister of Canada, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost \$192.

Mr. COUDERT asked and was given permission to extend his remarks and include extraneous matter.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks and include an editorial.

Mr. MITCHELL asked and was given permission to extend his remarks and include extraneous matter.

Mr. O'NEILL asked and was given permission to extend his remarks and include an editorial from the Scranton Times.

Mr. CELLER asked and was given permission to extend his remarks in three instances.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include extraneous matter.

CALENDAR WEDNESDAY

The SPEAKER pro tempore. This is Calendar Wednesday. The Clerk will call the committees.

REHABILITATION OF THE DEVILS LAKE SIOUX TRIBE OF INDIANS, NORTH DAKOTA

Mr. PETERSON (when the Committee on Public Lands was called). Mr. Speaker, by direction and authority of the Committee on Public Lands, I call up the bill (H. R. 6152) to promote the rehabilitation of the Devils Lake Sioux Tribe of Indians, North Dakota, and for other purposes.

The Clerk read the title of the bill.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, the gentleman is going to explain the bill?

Mr. PETERSON. Yes; I will explain the bill. I may say at this time that there are four of these Indian bills that are somewhat similar with the exception of the amounts involved. They were reported unanimously by the Committee on Public Lands as a result of rather extensive hearings before the Subcommittee on Indian Affairs. Two of them are sponsored by the gentleman from North Dakota [Mr. LEMKE] and two by the gentleman from Montana [Mr. D'EWART]. Normally we would have taken these bills up sooner, but with the appointment of a new Indian Commissioner the Department of the Interior wanted to confer with him. On yesterday they submitted new amendments which we will offer today and which will become more or less the standard.

We are anxious to get these bills over to the Senate because there is some talk of having an omnibus bill considered over there. The gentleman from North Dakota and the gentleman from Montana have worked hard on this matter. These Indians are in great need. All of this is reimbursable except that in some instances it is 10 percent and in others 20 percent. Where we have lent the Indians money they have paid out remarkably well.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of this act, a program of basic economic and other improvements for the benefit of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the rehabilitation of such Indians and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 986), the sum of \$2,000,000 to assist in carrying out the purposes of this act. Amounts appropriated under authority of this section of this act shall be reimbursed to the general funds of the Treasury not later than June 30, 1979.

SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans from amounts appropriated under authority of this act to the Devils Lake Sioux Tribe of Indians (hereinafter referred to as the "tribe") for the purpose of promoting the economic development of the tribe and its members, including loans for housing.

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of this act shall be made within 25 years from the date on which such loan is made, but not later than June 30, 1979.

SEC. 4. (a) The tribe is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, exchange, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or interest in lands, including improvements thereon. Title to all lands, rights, and interest in lands thus acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe and shall be exempt from taxation so long as title is held by the United States. Title to all lands, rights, and interests in lands acquired outside the boundaries of the reservation shall be taken in the name of the tribe and shall be subject to taxation.

(b) Any lands, rights, and interest in lands acquired by the tribe may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the tribe. Such sales shall be made only to members of the tribe of one-quarter or more degree of Indian blood, and may be made on a deferred payment plan. All right, title, and interests of the United States and of the tribe in and to the land sold shall be released to the purchaser upon final payment of the purchase price. Such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 33 percent of any amount appropriated under authority of this act to make loans to the tribe (1) for the purchase by the tribe of livestock to be loaned or sold to its members and (2) for cash loans by the tribe to its members for the purchase of livestock by such members.

(b) Settlement of obligations arising out of loans or sales of livestock by the corporation to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the tribe to its members shall be made in cash.

(c) Upon the settlement by a member of the tribe of any obligation arising out of the loan or sale of livestock by the tribe to such member, or arising out of any cash loan made by the tribe to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the tribe in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 10 percent of any amount appropriated under authority of this act to assist borrowers from the tribe during initial periods of operations and to assist members of the tribe in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of tribal assets as security for loans made under the authority of this act to borrowers from the tribe.

SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited in the United States Treasury to the credit of the tribe, shall be available for such purposes as may be designated by the tribe and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed

under the act of June 18, 1934, as amended, with respect to loans made by him or his authorized representative to the tribe, and loans and sales by the tribe to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

SEC. 10. The officials and employees of the tribe and all Indians receiving loans under this act shall be subject to the criminal laws of the State of North Dakota for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak. (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (49 Stat. 984, 986), as amended, the sum of \$2,000,000 to assist in carrying out the purposes of this act.

"SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans for any purposes calculated to carry out the provisions of this act, from amounts appropriated under authority of section 2, to the Devils Lake Sioux Tribe of Indians (hereinafter referred to as the 'tribe').

"(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of section 2 of this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity date later than June 30, 1994.

"SEC. 4. (a) The tribe is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the tribe and shall be subject to taxation.

"(b) The Secretary of the Interior or his authorized representative is authorized to make loans to the tribe from amounts appropriated under authority of section 2 of this act for the purchase of lands, to be acquired in accordance with subsection (a) of this section.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the tribe, and any other lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the tribe to members of the tribe of one-quarter or more degree of Indian blood, and may be sold to such members on a deferred payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the tribe, shall not be required after the tribe has repaid in full any loans received from the United States.

"(d) All right, title, and interest of the United States and of the tribe in and to the lands sold shall be released to the purchaser upon final payment of the purchase price, and such lands shall thereafter be subject to taxation.

"SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 25 percent of any amount appropriated under authority of section 2 of this act to make loans to the tribe (1) for the purchase by the tribe of livestock to be loaned or sold to its members and (2) for cash loans by the tribe to its members for the purchase of livestock by such members. Title to livestock purchased under authority of this section may be taken in the name of the United States in trust for the tribe, or in the name of the individual Indian member, at the election of the Secretary or his authorized representative.

"(b) Settlement of obligations arising out of loans or sales of livestock by the tribe to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the tribe to its members shall be made in cash.

"(c) Upon the settlement by a member of the tribe of any obligation arising out of the loan or sale of livestock by the tribe to such member, or arising out of any cash loan made by the tribe to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the tribe in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

"SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of section 2 of this act to assist borrowers from the tribe and deferred-payment purchasers from it during initial periods of operations and to assist members of the tribe in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of tribal assets as security for any matured indebtedness due the tribe from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe, shall be available for such purposes as may be designated by the tribe and approved by the Secretary of the Interior or his authorized representative.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed

under the act of June 18, 1934 (48 Stat. 984), as amended, with respect to loans made by him or his authorized representative to the tribe, and loans and sales by the tribe to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"Sec. 10. Title to the lands which have been acquired by the United States on or adjacent to the reservation, under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), administrative jurisdiction over which has heretofore been transferred by the President, under Executive Order No. 7868, dated April 15, 1938, from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commissioner of Indian Affairs for the benefit of the Indians, is hereby declared to be in the United States in trust for the tribe, subject to valid existing rights."

Mr. PETERSON. Mr. Speaker, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON as a substitute for the committee amendment: Strike out the committee amendment and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"Sec. 2. There is hereby authorized to be appropriated the sum of \$2,000,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"Sec. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Devils Lake Sioux Tribe of Indians (hereinafter referred to as the "tribe") for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994.

"Sec. 4. (a) The tribe is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements there-

on (hereinafter referred to as "lands"), and to exchange any lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the tribe, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the tribe from the revolving fund established by this act (1) for the purchase by the tribe of lands under the authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the tribe to its members for the purchase of lands by such members. Title to lands purchased by members of the tribe with the assistance of cash loans from the tribe shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the tribe and any other lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, may, with the approval of the Secretary of the Interior, be sold by the tribe to members of the tribe, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the tribe, shall not be required after the tribe has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the tribe and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the tribe under authority of subsection (b) of this section and to lands purchased from the tribe under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the tribe with the assistance of cash loans from the tribe under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the tribe as collateral security for all unpaid indebtedness of the purchaser to the tribe, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 5. (a) The Secretary of the Interior is authorized to make loans to the tribe from the revolving fund established by this act (1) for the purchase by the tribe of livestock to be sold to its members, and (2) for cash loans by the tribe to its members for the

purchase of livestock by such members. Title to livestock purchased by the tribe under authority of this section, and title to livestock delivered to the tribe in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the tribe.

"(b) Settlement of obligations arising out of sales of livestock by the tribe to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the tribe to its members shall be made in cash.

"(c) All right and title of the United States and of the tribe in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the tribe shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the tribe in settlement of the obligations of the purchaser.

"(d) Livestock sold by the tribe under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the tribe, shall be pledged or mortgaged to the United States in trust for the tribe as collateral security for all unpaid indebtedness of the purchaser to the tribe, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the tribe and deferred-payment purchasers from it during initial periods of operations and to assist members of the tribe in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"Sec. 7. There shall be a lien against all future per capita payments or other distributions of tribal assets as security for any matured indebtedness due the tribe from borrowers or purchasers under this act.

"Sec. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe shall be available for advance to the tribe for such purposes as may be designated by the tribe and approved by the Secretary of the Interior.

"Sec. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the tribe under this act, loans and sales made by the tribe to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"Sec. 10. Title to the lands which have been acquired by the United States, on or adjacent to the reservation, under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), administrative jurisdiction over which has heretofore been transferred by the President, under Executive Order 7868, dated April 15, 1938, from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commis-

sloner of Indian Affairs for the benefit of the Indians, is hereby declared to be in the United States in trust for the tribe, subject to valid existing rights."

Mr. MARTIN of Massachusetts. Mr. Speaker, I hope the gentleman will explain the bill and amendment.

Mr. PETERSON. Yes; I will let the author of the bill explain that as a courtesy to him.

Mr. LEMKE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I shall make this very short. Similar bills have already been passed for other tribes. The Fort Totten Tribe was originally given \$100,000 for loan purposes. They have handled it so economically and efficiently that at the present time they have increased that \$100,000, by interest and collections, to \$170,000. The loans are less than one-half of 1 percent in default, which is far better than the white people in my State and the surrounding States have done.

This bill provides for \$2,000,000 to rehabilitate these Indians and to permit them to buy livestock and additional lands that they need within the reservation or outside of the reservation. If outside of the reservation, the Indians will have to pay taxes on the land, the same as the white people.

If within the reservation, they will have to pay taxes at the end of 15 years, which we feel is a great improvement and will remove many of the objections to some of these bills.

The Department has suggested several amendments, and in place of putting in the amendments we have substituted and agreed to accept this amendment, and, to be perfectly frank, I think the Department for one time in its existence has made an improvement on the bill that I myself introduced.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Nebraska.

Mr. STEFAN. This bill has been approved by the Commissioner's office, has it not?

Mr. LEMKE. Yes; and we have accepted his suggestions. It is also approved by the Bureau of the Budget.

Mr. STEFAN. The gentleman referred to \$2,000,000. Is that the total amount in both bills?

Mr. LEMKE. That is in the one bill.

Mr. STEFAN. H. R. 6152?

Mr. LEMKE. Yes. In the next one we will have more?

Mr. STEFAN. This is an authorization, is it not?

Mr. LEMKE. An authorization for a loan to buy land and cattle, and so forth, and 20 percent can be used to help the Indians to get started in business.

Mr. STEFAN. Will you have to come in for an appropriation on this?

Mr. LEMKE. The money is authorized to be appropriated, and they have to come in for the appropriation.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I notice that this authorization is in addition to a revolving fund that is presently in existence. I wonder if the gentleman could tell us what the total amount of that revolving fund is at the present time.

Mr. LEMKE. I cannot tell you for this tribe, but it is less than the Fort Yates. They had \$100,000, and they increased that by collections with interest to \$170,000.

Mr. BYRNES of Wisconsin. But you are granting here the sum of \$2,000,000 to a revolving fund. I think it might be of interest to the House if somebody on the committee would be able to tell us what the total amount of that fund is that is given for the use of these tribes for loan purposes.

Mr. LEMKE. I imagine that it will be less than \$100,000.

Mr. PETERSON. Mr. Speaker, if the gentleman will yield, this is a comparatively small amount in all of these bills. I do not have the exact figures in mind. I know it is a very small amount.

Mr. DEWART. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Montana.

Mr. DEWART. This revolving fund today, which the gentleman speaks of, has some \$7,000,000 in it. Originally, I believe this year we increased it from five to seven million in the appropriation measure. It is not necessarily for this tribe. That revolving fund is available to all tribes, wherever they are found. It is a revolving fund under which loans are made to the Indians by the Indian Bureau. It has been well-handled. The money has been repaid when it was due in nearly every instance. The record under this revolving loan fund is very good. I cannot tell you the exact amount that is made available to this tribe because it is carried in one fund for all tribes everywhere in the United States.

Mr. BYRNES of Wisconsin. I wonder if the gentleman could inform me further as to whether the Government is holding in trust any moneys for these particular tribes covered by this bill.

Mr. DEWART. I am sure they do. I think there are some trust funds for every Indian tribe in this country. If there are any exceptions, they are at the very minimum. Some of them have large trust funds and some of them have very limited trust funds.

Mr. PETERSON. The provision with reference to tribal funds appears in section 8, and it will take care of that situation. The trust fund of this particular tribe as of the 25th of July last year was only \$2,263.

Mr. BYRNES of Wisconsin. The reason for my inquiry is that if these tribes have funds the Government is now holding in trust for them, instead of appropriating out of the general funds of the Treasury why do we not turn over to them the funds we hold in trust for them, for the purposes outlined in the bill?

Mr. DEWART. I think the answer to that is that this bill does make available to the tribe these trust funds with the permission of the Secretary. In

addition, the repayment of these moneys loaned under this revolving fund can be made from income on the trust funds.

The SPEAKER pro tempore. The question is on the substitute for the committee amendment.

The substitute for the committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To promote the rehabilitation of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak., and for other purposes."

A motion to reconsider was laid on the table.

TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 7262) to provide for the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

Sec. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 983), the sum of \$15,000,000 to assist in carrying out the purposes of this act.

Sec. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans for any purposes calculated to carry out the provisions of this act, from amounts appropriated under authority of this act, to the Turtle Mountain Band of Chippewa Indians (hereinafter referred to as the "band").

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of section 2 of this act shall be made within 40 years from the date on which such loan is made, but in no event later than June 30, 1994: *Provided, however,* That loans for the purchase of livestock as authorized in section 5 shall be reimbursed

within 25 years from the date on which such loan is made.

SEC. 4. (a) The band is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, exchange, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as "lands").

(b) The Secretary of the Interior or his authorized representative is authorized to make loans to the band from amounts appropriated under authority of section 2 of this act for the purchase of lands. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the band. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the band and shall be subject to taxation.

(c) Any lands heretofore or hereafter purchased or otherwise acquired by the band, and any other lands owned by the band, including lands title to which is in the United States in trust for the band, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the band to members of the band of one-quarter or more degree of Indian blood, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval of the Secretary of sales of land located outside the boundaries of the reservation shall not be required after the band has repaid in full any loans received from the United States.

(d) All right, title, and interest of the United States and of the band in and to the lands sold shall be released to the purchaser upon final payment of the purchase price, and such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 33 percent of any amount appropriated under authority of section 2 of this act to make loans to the band (1) for the purchase by the band of livestock to be loaned or sold to its members and (2) for cash loans by the band to its members for the purchase of livestock by such members. Title to livestock purchased under authority of this section may be taken in the name of the United States in trust for the band, or in the name of the individual Indian member.

(b) Settlement of obligations arising out of loans or sales of livestock by the band to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the band to its members shall be made in cash.

(c) Upon settlement by a member of the band of any obligation arising out of the loan or sale of livestock by the band to such member, or arising out of any cash loan made by the band to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the band in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of section 2 of this act to assist borrowers from the band during initial periods of operations and to assist members of the band in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the band as security for any matured indebtedness due the band from borrowers or purchasers under this act.

SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereinafter deposited in the United States Treasury to the credit of the band, shall be available for such purposes as may be designated by the band and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or his authorized representative to the band, and loans and sales by the band to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, North Dakota (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary."

"SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 984, 986), as amended, the sum of \$15,000,000 to assist in carrying out the purposes of this act."

"SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans for any purposes calculated to carry out the provisions of this act, from amounts appropriated under authority of section 2, to the Turtle Mountain Band of Chippewa Indians (hereinafter referred to as the 'band')."

"(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of section 2 of this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994."

"SEC. 4. (a) The band is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the band, including lands title to which is in the United States in trust for the band, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the band. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the band and shall be subject to taxation."

"(b) The Secretary of the Interior or his authorized representative is authorized to make loans to the band from amounts appropriated under authority of section 2 of this act for the purchase of lands, to be acquired

in accordance with subsection (a) of this section.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the band, and any other lands owned by the band, including lands title to which is in the United States in trust for the band, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the band to members of the band of one-quarter or more degree of Indian blood, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation shall not be required after the band has repaid in full any loans received from the United States."

"(d) All right, title, and interest of the United States and of the band in and to the lands sold shall be released to the purchaser upon final payment of the purchase price, and such land shall thereafter be subject to taxation."

"SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 33 percent of any amount appropriated under authority of section 2 of this act to make loans to the band (1) for the purchase by the band of livestock to be loaned or sold to its members and (2) for cash loans by the band to its members for the purchase of livestock by such members. Title to livestock purchased under authority of this section may be taken in the name of the United States in trust for the band, or in the name of the individual Indian borrower, at the election of the Secretary or his authorized representative."

"(b) Settlement of obligations arising out of loans or sales of livestock by the band to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the band to its members shall be made in cash."

"(c) Upon settlement by a member of the band of any obligation arising out of the loan or sale of livestock by the band to such member, or arising out of any cash loan made by the band to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the band in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member."

"SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of section 2 of this act to assist borrowers from the band and deferred-payment purchasers from it during initial periods of operations and to assist members of the band in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act."

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the band as security for any matured indebtedness due the band from borrowers or purchasers under this act."

"SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereinafter deposited in the United States Treasury to the credit of the band, shall be available for such purposes as may be designated by the band and approved by the Secretary of the Interior or his authorized representative."

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934 (48 Stat. 984), as amended, with respect to loans made by him or his authorized representative to the band, and loans and sales by the band to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act."

Mr. PETERSON. Mr. Speaker, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. PETERSON: Strike out the committee amendment and insert the following language: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak. (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"Sec. 2. There is hereby authorized to be appropriated the sum of \$15,000,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"Sec. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Turtle Mountain Band of Chippewa Indians (hereinafter referred to as the 'band') for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994.

"Sec. 4. (a) The band is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the band, including lands title to which is in the United States in trust for the band, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the band. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the band, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the band from the revolving fund established by this act (1) for the purchase by the band of lands under the authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the bank to its members. Title to lands purchased by members of the band with the assistance of cash loans from the band shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation,

or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the band and any other lands owned by the band, including lands title to which is in the United States in trust for the band, may, with the approval of the Secretary of the Interior, be sold by the band to members of the band, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the band, shall not be required after the band has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the band and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the band under authority of subsection (b) of this section and to lands purchased from the band under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the band with the assistance of cash loans from the band under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the band as collateral security for all unpaid indebtedness of the purchaser to the band, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 5. (a) The Secretary of the Interior is authorized to make loans to the band from the revolving fund established by this act (1) for the purchase by the band of livestock to be sold to its members, and (2) for cash loans by the band to its members for the purchase of livestock by such members. Title to livestock purchased by the band under authority of this section, and title to livestock delivered to the band in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the band.

"(b) Settlement of obligations arising out of sales of livestock by the band to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the band to its members shall be made in cash.

"(c) All right and title of the United States and of the band in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the band shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the band in settlement of the obligations of the purchaser.

"(d) Livestock sold by the band under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the band, shall be pledged or mortgaged to the United States in trust for the band as collateral security for all unpaid indebtedness of the purchaser to the band, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the band and deferred-payment purchasers from it during initial periods of operations and to assist members of the band in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"Sec. 7. There shall be a lien against all future per capita payments or other distributions of assets of the band as security for any matured indebtedness due to the band from borrowers or purchasers under this act.

"Sec. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the band shall be available for advance to the band for such purposes as may be designated by the band and approved by the Secretary of the Interior.

"Sec. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the band under this act, loans and sales made by the band to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act."

The SPEAKER pro tempore. The question is on the substitute offered by the gentleman from Florida to the committee amendment.

The substitute to the committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to promote the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes."

A motion to reconsider was laid on the table.

GROS VENTRE AND ASSINIBOINE INDIANS

Mr. PETERSON. Mr. Speaker, I call up the bill (H. R. 5473) to provide for the rehabilitation of the Gros Ventre and Assiniboin Tribes of Indians on Fort Belknap Reservation, Mont., and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of this act, a program of basic economic and other improvements for the benefit of the Gros Ventre and the Assiniboine Tribes of Indians on Fort Belknap Reservation, Mont. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the rehabilitation of such Indians and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 986), the sum of \$5,500,000 to carry out the purposes of this act. Amounts appropriated under authority of this act (except amounts used by the Secretary of the Interior to carry out the purposes of section 6) shall be reimbursed to the general funds of the Treasury not later than June 30, 1979.

SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans from amounts appropriated under authority of this act to the Fort Belknap Indian community, a Federal corporation chartered under such act of June 18, 1934, as amended (hereinafter referred to as the "corporation").

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of this act shall be made within 25 years from the date on which such loan is made but not later than June 30, 1979.

SEC. 4. (a) The Secretary of the Interior or his authorized representative is authorized to make loans to the corporation from amounts appropriated under authority of this act for the purchase of lands, and interests therein. Title to any such lands, and interests therein, located outside the boundaries of the reservation shall be taken in the name of the corporation and shall be subject to taxation.

(b) Any lands purchased by the corporation, and any other lands owned by the corporation including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the corporation under rules and regulations to be prescribed by the Secretary. Such sales shall be made only to members of the corporation of one-quarter or more degree of Indian blood, and may be made on a deferred payment plan. All right, title, and interest of the United States and of the corporation in and to the land sold shall be released to the purchaser upon final payment of the purchase price. Such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior, or his authorized representative, is authorized to use not to exceed 33 percent of any amount appropriated under authority of this act to make loans to the corporation (1) for the purchase by the corporation of livestock to be loaned or sold to its members, and (2) for cash loans by the corporation to its members for the purchase of livestock by such members.

(b) Settlement of obligations arising out of loans or sales of livestock by the corporation to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

(c) Upon the settlement by a member of the corporation of any obligation arising out

of the loan or sale of livestock by the corporation to such member, or arising out of any cash loan made by the corporation to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the corporation in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior, or his authorized representative, is authorized to use on a nonreimbursable basis not to exceed 10 percent of any amount appropriated under authority of this act to assist borrowers from the corporation during initial periods of operations. No amount authorized to be used to assist borrowers under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of corporate assessments as security for loans made under the authority of this act to borrowers from the corporation.

SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation, shall be available for such purposes as may be designated by the corporation and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. Title to lands, together with improvements thereon, on or adjacent to the reservation which—

(1) have been acquired by the United States under authority of title II of the National Industrial Recovery Act, the Emergency Relief Appropriations Act of 1935, or section 55 of title I of the act of August 24, 1935; and

(2) have been transferred by the President by Executive order from the jurisdiction of the Secretary of Agriculture to the jurisdiction of the Secretary of the Interior, is hereby declared to be in the United States in trust for the corporation.

SEC. 10. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or by his authorized representative to the corporation, and loans and sales by the corporation to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

SEC. 11. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Gros Ventre and Assiniboine Tribes of Indians of the Fort Belknap Reservation, Mont. (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustment related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more effi-

cient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated the sum of \$5,500,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"SEC. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Fort Belknap Indian Community, a Federal corporation chartered under the act of June 18, 1934 (48 Stat. 984, 986), as amended (hereinafter referred to as the 'corporation'), for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within twenty-five years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994.

"SEC. 4. (a) The corporation is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the corporation. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the corporation, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of lands under the authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the corporation to its members for the purchase of lands by such members. Title to lands purchased by members of the corporation with the assistance of cash loans from the corporation shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the corporation and any other lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior, be sold by the corporation to members of the corporation, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located out-

side the boundaries of the reservation, title to which is in the name of the corporation, shall not be required after the corporation has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the corporation and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the corporation under authority of subsection (b) of this section and to lands purchased from the corporation under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the corporation with the assistance of cash loans from the corporation under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 5. (a) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of livestock to be sold to its members, and (2) for cash loans by the corporation to its members for the purchase of livestock by such members. Title to livestock purchased by the corporation under authority of this section, and title to livestock delivered to the corporation in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the corporation.

"(b) Settlement of obligations arising out of sales of livestock by the corporation to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

"(c) All right and title of the United States and of the corporation in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the corporation shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the corporation in settlement of the obligations of the purchaser.

"(d) Livestock sold by the corporation under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the corporation, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis,

not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the corporation and deferred-payment purchasers from it during initial periods of operations and to assist members of the corporation in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"Sec. 7. There shall be a lien against all future per capita payments or other distributions of assets of the corporation as security for any matured indebtedness due the corporation from borrowers or purchasers under this act.

"Sec. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation shall be available for advance to the corporation for such purposes as may be designated by the corporation and approved by the Secretary of the Interior.

"Sec. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the corporation under this act, loans and sales made by the corporation to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"Sec. 10. Title to the lands and improvements thereon which have been acquired by the United States, on or adjacent to the reservation, under authority of title II of the National Industrial Recovery Act of June 16, 1933 (49 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), administrative jurisdiction over which has heretofore been transferred by the President, under Executive Order No. 7888, dated April 15, 1938, from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commissioner of Indian Affairs for the benefit of the Indians, is hereby declared to be in the United States in trust for the corporation, subject to valid existing rights.

"Sec. 11. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations."

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. MARTIN of Massachusetts. Is this all reimbursable money?

Mr. PETERSON. Eighty percent of it is reimbursable. We have followed the same pattern in this bill as in previous bills.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to promote the rehabilitation of the Gros Ventre and Assiniboine Tribes of Indians of the Fort Belknap Reservation, Mont., and for other purposes."

A motion to reconsider was laid on the table.

CHIPPEWA CREE TRIBE

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 5570) to promote the rehabilitation of the Chippewa Cree Tribe of Indians of the Rocky Boy's Reservation, Mont., and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of this act, a program of basic economic and other improvements for the benefit of the Chippewa Cree Tribe of Indians on the Rocky Boy's Reservation, Mont. (hereinafter referred to as the reservation). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the rehabilitation of such Indians and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

Sec. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 926), the sum of \$3,510,000 to carry out the purposes of this act. Amounts appropriated under authority of this section of this act shall be reimbursed to the general funds of the Treasury not later than June 30, 1979.

Sec. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans from amounts appropriated under authority of this act to the Chippewa Cree Tribe of the Rocky Boy's Reservation, a Federal corporation chartered under such act of June 18, 1934, as amended (hereinafter referred to as the corporation) for the purpose of promoting the economic development of the corporation and its members, including loans for housing.

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of this act shall be made within 25 years from the date on which such loan is made but not later than June 30, 1979.

Sec. 4. (a) The Secretary of the Interior or his authorized representative is authorized to make loans to the corporation from amounts appropriated under authority of this act for the purchase of lands, and interests therein. Title to any such lands, and interests therein, located outside the boundaries of the reservation shall be taken in the name of the corporation and shall be subject to taxation.

(b) Any lands purchased by the corporation, and any other lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the corporation under rules and regulations to be prescribed by the Secretary. Such sales shall be made only to members of the corporation of one-quarter or more degree of Indian blood, and may be made on a deferred payment plan. All right, title, and interests of the United States and of the corporation in and to the land sold shall be released to the purchaser upon final payment of the purchase price. Such land shall thereafter be subject to taxation.

Sec. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 17 percent of any amount appropriated under authority of this act to make loans to the corporation (1) for the purchase by the corporation of livestock to be loaned or sold to its members and (2) for cash loans by the corporation to its members for the purchase of livestock by such members.

(b) Settlement of obligations arising out of loans or sales of livestock by the corporation to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

(c) Upon the settlement by a member of the corporation of any obligation arising out of the loan or sale of livestock by the corporation to such member, or arising out of any cash loan made by the corporation to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the corporation in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

Sec. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of this act to assist borrowers from the corporation during initial periods of operations and to assist members of the corporation in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

Sec. 7. There shall be a lien against all future per capita payments or other distributions of corporate assets as security for loans made under the authority of this act to borrowers from the corporation.

Sec. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation, shall be available for such purposes as may be designated by the corporation and approved by the Secretary of the Interior or his authorized representative.

Sec. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or his authorized representative to the corporation, and loans and sales by the corporation to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

Sec. 10. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana (hereinafter referred to as the "reservation")."

Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"Sec. 2. There is hereby authorized to be appropriated the sum of \$3,510,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"Sec. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Chippewa Cree Tribe of the Rocky Boy's Reservation, a Federal corporation chartered under the act of June 18, 1934 (48 Stat. 984, 986), as amended (hereinafter referred to as the "corporation"), for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994.

"Sec. 4. (a) The corporation is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as "lands"), and to exchange any lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the corporation. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the corporation, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of lands under authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the corporation to its members for the purchase of lands by such members. Title to lands purchased by members of the corporation with the assistance of cash loans from the corporation, shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the corporation and any other lands owned by the corporation, including lands title to which

is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior, be sold by the corporation to members of the corporation, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the corporation, shall not be required after the corporation has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the corporation and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the corporation under authority of subsection (b) of this section and to lands purchased from the corporation under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the corporation with the assistance of cash loans from the corporation under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 5. (a) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of livestock to be sold to its members, and (2) for cash loans by the corporation to its members for the purchase of livestock by such members. Title to livestock purchased by the corporation under authority of this section, and title to livestock delivered to the corporation in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the corporation.

"(b) Settlement of obligations arising out of sales of livestock by the corporation to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

"(c) All right and title of the United States and of the corporation in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the corporation shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the corporation in settlement of the obligations of the purchaser.

"(d) Livestock sold by the corporation under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the corporation, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation, in such

manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"Sec. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the corporation and deferred-payment purchasers from it during initial periods of operations and to assist members of the corporation in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"Sec. 7. There shall be a lien against all future per capita payments or other distributions of assets of the corporation as security for any matured indebtedness due the corporation from borrowers or purchasers under this act.

"Sec. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation shall be available for advance to the corporation for such purposes as may be designated by the corporation and approved by the Secretary of the Interior.

"Sec. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the corporation under this act, loans and sales made by the corporation to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"Sec. 10. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURAL SPONGE RESEARCH

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 6063) authorizing the Secretary of the Interior to carry out a research and development program with respect to natural sponges, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman state the substance of this bill?

Mr. PETERSON. This bill provides for \$70,000 for research with reference to diseases and the growth of sponges. The sponge industry has been a large one, amounting to two or three million dollars. Disease struck the industry several years ago and has practically wiped it

out. Neither the people engaged in the sponge industry nor the Department knew enough about the matter to cope with it. We had a bill for \$250,000, and we have whittled it down to \$70,000.

Mr. MARTIN of Massachusetts. This does not establish any new bureau?

Mr. PETERSON. No. It is done by the Fish and Wildlife Service.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection. The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of \$250,000, to enable the Secretary of the Interior, in cooperation with such States as may desire to participate, (1) to carry out a program of research and experiment with respect to natural sponges, (2) to propagate and plant natural sponges, (3) to study diseases of natural sponges, and (4) to take other appropriate action to assist in the further development of the natural-sponge industry. Any sum appropriated under the authority of this act shall remain available to the Secretary of the Interior until expended.

With the following committee amendment:

Page 1, line 4, strike out "\$250,000" and insert "\$70,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CERTAIN PARTS OF ALASKA BY WAR VETERANS

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans.

The Clerk read the title of the bill.

Mr. PETERSON. Mr. Speaker, if it is in order, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole, if there is no large number who want to speak on it. I do not want to try to shut off anybody. I make that request at this time more or less to size up the situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, and I do not intend to object, but I would like to make certain that the chairman of the committee or some member is going to be able explain the opposition of the Forestry Service, the opposition of the Alaskan Legislature, and what I understand also is the opposition by the Legion to this legislation. It is my understanding that there is considerable opposition to it.

Mr. PETERSON. We will do that. Unless a number of Members want to propose amendments, I thought we might consider it in the House as in Committee of the Whole.

I will say this, that the bill is not perfect. When we get into conference we

will probably have to work out several matters. The Forestry Service has been in opposition to it, but any bill that we bring out with reference to Alaska will have objection to it. The Interior Department has cleared it. They favor the bill. They sent us a bill, but there was objection to it. About 98½ percent of all Alaska is now owned by the Federal Government. We must allow some settlement. It will undoubtedly be amended in the Senate.

Mr. MARTIN of Massachusetts. Will the gentleman explain the bill, please?

Mr. PETERSON. The bill works a rather comprehensive homestead law for Alaska. It provides for settlement and gives priority of settlement to veterans. We go further than the normal Homestead Act by having a larger acreage, and also by providing for a different type of homestead, because the history of the homesteads in the past shows that in many instances people starved to death on the homesteads. The gentleman from North Dakota, who has studied this over the years (Mr. LEMKE) is more familiar with it. I do not want to take up too much time.

Mr. MARTIN of Massachusetts. I would not be timid about taking too much time. We want the facts.

Mr. PETERSON. I would rather that my colleague the gentleman from North Dakota (Mr. LEMKE) get in a few licks for his bill and explain the details. I have them pretty well in mind, but the gentleman from North Dakota is the author of the bill and has fought for it over the years. He has it at his fingertips.

Mr. HOFFMAN of Michigan. Reserving the right to object, there is one thing sure, it will call for some money. Can you or the gentleman from North Dakota give us any idea how much money, within fifty million or such a matter, it will amount to?

Mr. PETERSON. The only money that will be called for will be loans that will be in aid of settlement, that will be secured. Mostly it is a settlement bill. There are a great many restrictions and strings on it.

Mr. HOFFMAN of Michigan. But you said that heretofore some of these people who took up homesteads starved to death. Is there some sort of security or guaranty connected with this?

Mr. PETERSON. There are liens on their acreages. I have yielded to the gentleman from North Dakota (Mr. LEMKE) to explain the details.

Mr. MARTIN of Massachusetts. Mr. Speaker, I was going to say that this probably will need some explanation. The gentleman might as well move to go into the Committee now and have the bill thoroughly explained in general debate.

Mr. PETERSON. I expect the gentleman is right. I made the suggestion more or less as a feeler.

Mr. Speaker, I withdraw my request to consider it in the House as in the Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Florida has called up the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by

war veterans. This bill is on the Union Calendar. Under the rule, the House automatically resolves itself into the Committee of the Whole House on the State of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida is entitled to 1 hour and the gentleman from North Dakota to 1 hour.

Mr. PETERSON. Mr. Chairman, I ask that the gentleman from North Dakota be recognized first.

The CHAIRMAN. The gentleman from North Dakota [Mr. LEMKE] is recognized.

Mr. LEMKE. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this is a homestead bill and has for its purpose the enlarging of the homestead sufficiently so that we can get people to go up to Alaska and settle it. We have had control of Alaska for many, many years but there are very few people up there. As a pioneer myself I know that no one will go up to Alaska and take a homestead of 160 acres, and you know it too. When we went to North Dakota to settle we were allowed 480 acres and if one was a veteran of the Civil War he could take out an additional 160 acres, making 640 acres. That was the incentive that settled North Dakota which is now second only to Kansas in the production of wheat and is first in the production of hard wheat; that is how it was settled. Many people made a failure of settlement, and there will be some failures in Alaska even on these enlarged homesteads, but this Nation has been built up by the adventurous spirit and the pioneers. I advise and have advised people who want to go to Alaska that only those who want pioneer life and have an adventurous spirit, and even those who are roughnecks, should go up there and settle it. That is the only way we can get Alaska settled.

This bill was before our committee in the Eightieth Congress; that is the Congress that our good President complained so much about. But this House passed that bill without a dissenting vote, by unanimous consent—that is the substance of it. This is an improved and better bill. The original bill died in the Senate because of inactivity over there. I am not criticizing the Senate, but they simply did not get around to it. Now in the Eighty-first Congress we again took up this bill and after full hearings in both Congresses, the Eightieth and the Eighty-first. In the Eightieth Congress all the opposition to this present bill appeared to come from Government departments and the committee felt that the opposition was not well taken; we felt it was rather a matter of one bureaucrat trying to dominate another. The Department of Agriculture wanted to stick its nose in where it had no business, into the affairs of the Interior Department.

This bill has again been considered by the committee in the Eighty-first Congress, and this also is a good Congress as far as the Public Lands Committee is concerned.

We again held extensive hearings, and all the opposition again appeared against the bill as it did before, but not a single member of the 28 members of the Public Lands Committee was influenced by the argument of the opposition. We have the favorable reports of both the Eightieth Congress and the Eighty-first Congress now under the able leadership of the gentleman from Florida [Mr. PETERSON]; and I am sorry he is not going to run for reelection this fall. After full hearing of both pros and cons the committee again unanimously reported this bill favorably and the reports and the hearings of the Eightieth and Eighty-first Congress have been printed and are available.

What are the facts? I want to say that in the Eightieth Congress the Army, the Navy, and the budget were all agreed on the bill. It was realized by all of them that if we are to defend Alaska we must have settlement up there. They O. K'd the bill. Remember the Army, the Navy, and the budget did that.

Then in the Eighty-first Congress there was a similar bill introduced. The prior bill was not as good as this one. You know, as long as we live we always improve ourselves in the matter of living and in the things we do. So in the Eighty-first Congress we redrafted this bill with much improvement. However, remember that no bill that Congress ever passed was perfect. Perfection is to be striven for but never reached.

In the redrafting of the bill we accepted every amendment offered by the Department of Agriculture except one. In addition we took all of the amendments and improvements suggested by the Secretary of the Interior and we put in all of the amendments offered by the Public Roads Administration.

There is only one dispute in this bill, and I am going to come to it shortly. You can be the judges. I may say that on that matter we had full hearings. I refer to allowing these settlers to take timber claims. The Forest Department wants to have control of the timber lands, but we felt that the timber lands should be subject to be homesteaded just the same as the other land, provided that a veteran can make a living on it.

So in this bill we have put in a limitation as to the size of the homestead, and I want you to follow me closely on this. Three hundred and twenty acres is the smallest. Would any of you go up there for less than 320 acres? Then because of the shortness of the growing season, and climatic conditions, we have provided a maximum of 2,560 acres. This is permissible only in the discretion of the Secretary of the Interior. The bill provides for a permissible extension of not to exceed 2,560 acres for grazing claims or sparsely timbered lands. But the qualification and the rule under which the limitations are set up in this bill and that the Secretary must follow are that no homestead may be larger than is necessary to sustain an American family of seven on the American level of living.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Missouri.

Mr. SHORT. In considering the vast area of Alaska, in considering the topography, the terrain, the weather, and climatic conditions up there, the fact also that there are only about 100,000 people living there today, it seems to me this acreage is really too small if one is to criticize it at all. Certainly it is not too much.

Mr. LEMKE. I thank the gentleman. Some stockmen have told me it should be larger.

Mr. SHORT. For instance, how many acres out in Wyoming or in some of our Western States does it take to support one cow?

Mr. LEMKE. You have a shorter growing season up there than you have in Arizona or Wyoming.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Illinois.

Mr. JONAS. Does not this bill provide a minimum and maximum number of acres?

Mr. LEMKE. Yes.

Mr. JONAS. What is the minimum?

Mr. LEMKE. Three hundred and twenty acres.

Mr. JONAS. What is the maximum?

Mr. LEMKE. Two thousand five hundred and sixty.

Mr. JONAS. How can one homesteader in Alaska, being so remote from all sources of machinery, supplies, and equipment, handle 2,560 acres of undeveloped land?

Mr. LEMKE. Because he can put livestock on it. It does not take much to take care of livestock. That is all he can do, unless it is a timber claim. In that case we put a qualification in his patent that he must continue it on a sustained yield basis. I will guarantee, as far as that guaranty can go, because I have not got very much wealth to back it up with, that there will be more timber and development in Alaska after the veterans take care of it than is the case due to the slashing methods used by the Forest Administration that has been up there and lobbying against this bill. We may have an investigation to find out all about that lobbying.

Mr. JONAS. The maximum allowance that the Government gave, back to the Civil War, was about 640 acres.

Mr. LEMKE. But we allowed another 640 acres for desert claims, and later on we allowed still more.

Mr. JONAS. I would like to know how anybody can homestead 2,560 acres or take care of the timberland or the grazing land by himself.

Mr. SHORT. Mr. Chairman, if the gentleman will yield, the situation in Alaska is quite different than even in our Northwestern States in this country, and certainly 2,560 acres is not too much for grazing or for timber purposes.

Mr. LEMKE. And it is in the discretion of the Secretary to allow more than 320 acres, if he feels it is necessary, to support a family of seven; and that used to be the size of the average American family,

Mr. SHORT. I would like to have a brief expression of the view of the Delegate from Alaska. I see he is on the floor. Does this meet with the approval of the people in Alaska? Are the people in Alaska favorable to this legislation?

Mr. BARTLETT. I should be required to say in answer to that that there is a difference of opinion in Alaska as to this bill, and, frankly, I must say that some opposition has been voiced from the Territory.

Mr. JONAS. Mr. Chairman, if the gentleman will yield further, I want to follow this up by asking whether if you apply for a 2,560-acreage allotment it requires a ready-to-order family of seven before you can get it.

Mr. LEMKE. No. You can get the lady to go out after you acquire it, as they did in North Dakota, when we used to sing "the girl we left behind us."

Mr. JONAS. Then the family would grow after he moved on to the homestead; is that it?

Mr. LEMKE. That is right, and that is why North Dakota has such a good population.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to compliment the gentleman on the effort that he has put in to develop Alaska. This bill, in my opinion, is one of the first steps, the first real honest-to-goodness step, that has been made for the proper development of that great area. Now, I am sure that the reason the gentleman is recommending 2,560 acres as a maximum is because there are great areas where the frost is so close to the surface that the land would be entirely useless for crop production. Again, close to it you will find valleys that can be farmed. Now then, these valleys and frost areas are so close together that if you were to take a smaller plot, you would not have enough land under the conditions, to make a living on. Is that not the fact?

Mr. LEMKE. That is correct, and in addition under this bill we limit the arable land under any homestead to 160 acres.

Mr. JENSEN. Now then, a very able citizen of Alaska came into my office just last week. He has lived in Alaska for many years. He has been one of the high officials in Alaska for a number of years. He informed me that the Department of the Interior had stopped the homesteading of land in the Kenai Peninsula, that part of Alaska which projects out into the ocean and is warmed by the Japanese current. We saw fit a few years ago to start a road to Homer, which is located in the southern part of the Kenai Peninsula.

The southern part of the Kenai Peninsula, an area that is at least 40 miles square, is by far the best agricultural area in Alaska. I am sure the gentleman will agree that it far surpasses the Man-tanaska Valley as an agricultural area; in fact, the climate in south Alaska, on the Kenai Peninsula, compares quite favorably with northern North Dakota. This gentleman informed me that the Department of the Interior, Bureau of Land Management, had completely

stopped the homesteading of land in that fine area. Now, will your bill help to solve that problem and make that land available, that fine agricultural land, to the veterans and other folks who wish to go up there?

There are many veterans up there right now wanting to homestead in the southern part of the Kenai Peninsula, in the area above which I have just talked. In my opinion, and in the opinion of many of the people of Alaska, it is a disgraceful thing that this land is being kept away from those who want to farm, who want to go into it on their own hook.

This gentleman also informed me that a communal plan of farming, I would say a communistic plan, is being proposed whereby all the farmers in that area must enter into a contract to borrow approximately \$45,000 each to improve their land, to erect buildings, and to buy machinery. When they get this communistic program going, they must then send their produce to a central market, and everything must be done according to the communistic scheme.

If that be true, and the gentleman I talked to was very disturbed about it, and I believed him because I know he is a man of high character from what I have been told about him, then certainly this Congress has a duty and a responsibility to see to it that that kind of business is not carried on in the great Territory of Alaska or anyplace else in the United States.

I hope the gentleman and his committee will look into that situation. I promise the gentleman right now that I shall be with him in any move he or anyone else cares to make for the development of Alaska, especially under present conditions, when Alaska is the Achilles heel of our defense program.

I compliment the gentleman on this bill.

Mr. LEMKE. I thank the gentleman. The Kenai Peninsula is one of the first ones we, in this bill, directed be surveyed and opened up for settlement. The gentleman is absolutely right. Unless we settle Alaska there is danger to the defense of our Nation.

Mr. JENSEN. Of all the places in the world where we do not want the communistic philosophy to grow, the main one is Alaska, right under the nose of Communist Russia.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Arizona.

Mr. MURDOCK. I join with the gentleman from Iowa in congratulating the gentleman from North Dakota on presenting the bill and fighting so faithfully for it. I think the gentleman from North Dakota [Mr. LEMKE] occupying the well of the House at this moment is the most persistent man in fighting for what he thinks is right that I have ever been associated with on the Committee on Public Lands, or any other committee.

I assure the gentleman I am squarely behind him in the passage of this bill because I recognize that Alaska is our great untouched jewel casket, not only for mineral wealth but for agricultural

wealth as well. It occupies a strategic position in our national defense. I am for the bill 100 percent.

Mr. LEMKE. I thank the gentleman for the nice things he has said about me, but I may take them with a little salt. I thank the gentleman for his support. I know of no man on the Committee on Public Lands who is more sincere in doing what is right than my friend, the gentleman from Arizona, [Mr. MURDOCK].

Mr. Chairman, something has been said about the veterans. The disabled veterans were represented at the hearings and they are a thousand percent in favor of this bill. The American Legion is back of it, so far as I can ascertain, and as far as I have talked with them. They want this territory opened up for real Americans, who won two wars, which other nations started, and they want a fair opportunity to make good.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. FORD. Did the American Legion and the Disabled American Veterans actually appear before the committee and recommend its approval?

Mr. LEMKE. The Disabled Veterans did, and Mr. Ketcham and others did. But the American Legion did not appear because we did not ask them to. They did not appear.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. O'SULLIVAN. Does this bill carry any restrictions as to the disposition of this land by any settler who gets a patent?

Mr. LEMKE. If a man goes up there and homesteads, it would take at least 5 to 8 years before he can dispose of it, unless the good Lord takes him, and then somebody else—his family or his heirs—would get the land. It could also be lost by mortgage foreclosure. We are trying to protect the credit of the individual. But no one can dispose of it until 5 years after.

There is another restriction with regard to the timberland. I want to bring that out. If a man goes up there and files on a timber claim, the patent itself will contain a provision in perpetuity that the particular timber must be kept on a sustained-yield basis. Right across from Alaska, in British Columbia, there are all kinds of small sawmills sawing logs into lumber, and so forth, and developing those timberlands while in Alaska some of the timber rots and the inhabitants import lumber at outrageous prices. Now we are told that we have to get some great, big monopolist in there. That is what we are told by the Forest Administration. I will give you some illustrations:

In this bill we exempt the lands that they have already given away. I want to read to you now what they charge for it. For instance, 100 cubic feet of pulpwood sells at 85 cents. A thousand board-feet of spruce and sawlogs at \$3. You would have to pay about \$100 for that here in this country. That looks like the despoilers of Alaska by the very Department that says it wants to protect it. With regard to the price on lineal feet

on poles—not exceeding 95 feet—the charge is only 1 cent a foot.

So this contract which the Forest Department has already made, and which we have to respect because we cannot do anything else about it because we delayed too long in passing this bill, you can get a 95-foot tree for 95 cents. That is according to the contract that the Forest Department put into the hearings. We accepted that because it was all we could do. It was an accepted fact by an authorized agency. That was one of the amendments they asked me to accept, that is that we would not invalidate the contracts or options which they had already made. Let us hope there will be no more of that kind of exploitation in our Alaska resources.

Mr. O'SULLIVAN. The reason I asked that question is I had in mind, when the Kincaid law was passed to homestead Nebraska, and there was a limit of 640 acres on the homestead, many of the ranchers hired their own men to homestead the land and shortly after they got all the land and assembled it into a large ranch. So I could see that the same thing might happen in Alaska unless you have the kind of restrictions which you have mentioned.

Mr. LEMKE. We have that restriction in the bill.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. RANKIN. There are one or two questions here that have been overlooked. In the first place, the interior of Alaska is entirely different from the interior of Iowa and Nebraska. In the interior of Alaska 2½ feet under the ground it has not thawed since the ice age.

I could throw a rock over any tree I saw north of Juneau. The timber consists of small spruce, fir, and hemlock trees. So it is not like a homestead in Nebraska or Iowa at all.

Alaska has an unlimited supply of water power. I know some people will say that those streams freeze.

A few years ago a lady who works for the REA went to Kiruna, Sweden, which is 150 miles north of the Arctic Circle, just back of Narvik, Norway. They have one of the finest iron ore mines in the world there. This lady said those people have to sink their shafts far below the surface in order to get below the ice with their electric-generating turbines. They will have to do that in Alaska on some of those streams. But they generate electric power for all purposes in Kiruna. It is the only heat they have. They heat every home, every establishment; they run their factories, and they also give artificial sun baths to the children, the workers, and everybody else who wants them. She said "They are the healthiest people in Sweden."

Now, we have this same condition in Alaska. Our undeveloped water power in Alaska is almost unlimited.

If I were going to Alaska to enter a homestead, in some places, at least, I would certainly want 2,500 acres. I am saying this with all deference, because I have been to Alaska. I was a member

of the Committee on Territories for 15 or 20 years. I went there and examined everything I found. I have protested ever since about the way those people are treated with reference to their fisheries. I think the fish traps should all be taken away and those people permitted to fish for a living.

But if you develop that water power and establish these homes, you would enable those people to earn a livelihood, and process their own material. In that way you could build up a population of a quarter of a million or a half a million, or possibly a million, people in Alaska in the next generation.

I am for this bill. I think the committee deserves a great deal of credit for working it out. I do not think they have gone too far in offering these tracts of land in the interior, where the ground 2½ feet under the surface has been frozen since the Ice Age. I do not think they have gone too far in allowing 2,500 acres for a homestead. There are only two kinds of people in Alaska; the white people and the Indians. The Indians and the Eskimos are the same people. They are the best behaved people you ever saw. The white people in Alaska are the finest Americans I have ever met. I, for one, have always said that we ought to do everything we could to encourage them. This bill goes further in that direction than anything I have seen.

Mr. LEMKE. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. JENSEN. Is it not a fact that the Territory of Alaska is approximately half the size of the entire 48 States of the Nation?

Mr. RANKIN. Five hundred and eighty thousand square miles.

Mr. LEMKE. Over one-quarter of the size of the United States.

Mr. RANKIN. It is 12 times the size of New York, Pennsylvania, or Mississippi.

Mr. JENSEN. It is over one-quarter the size of the United States.

Mr. RANKIN. Yes. It is almost one-half the size of the United States. If they will permit the people of Alaska to develop their resources and aid them in every way possible they can bring about some great improvements.

We can certainly afford to aid the people of Alaska in developing their water power, if you can pass a bill such as you passed yesterday to give billions of dollars to people in foreign countries who will never pay a dime of it back.

Mr. LEMKE. I thank the gentleman.

I have told you that the United States War Department and the Navy Department have endorsed this bill. I want to read to you a few sentences of what the Department of the Air Force had to say about it. Mr. Eugene W. Zooker, appearing for Mr. Symington, testified:

The benefits to be derived from the Territory of Alaska in the form of minerals, ore, lumber, and natural resources is inestimable. The establishment of a firm foundation of permanent residents in the Territory of Alaska will further enable exploitation of those vast resources which, in turn, will contribute to the national security, by increasing the available natural re-

sources and potential reserves. It is believed that the national security will be enhanced through the increased availability of natural resources, which will result from the passage of this act.

Permit me also to say that the passage of this act will increase the national defense, and that Mr. Stefansson, one of the North Pole explorers, has informed us that Russia has over a million settlers right across the strait; we have only 100,000 in all Alaska, and of those only about 50 percent are of American origin. It is about time we got this vast area settled.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, there can be no doubt whatsoever that the idea behind this bill is sound. There is need for development in Alaska; there is need for settlement in Alaska; there are far too few people there now in comparison with the resources of the area, which is one-fifth as large as the 48 States.

Mr. Chairman, I have the greatest esteem and admiration and even affection for the gentleman from North Dakota, the author of this bill who, ever since I have been here, has been most helpful in the consideration of our Alaska matters.

It is true that the present homestead laws are not functioning; they are not adequately geared to promote the settlement of the Territory of Alaska. We do need new legislation, and we need it urgently for national defense reasons if for no other.

In connection with the bill now before the committee I do think it is necessary for me to say that not everyone in Alaska has approved of this precise mechanism, although they will subscribe to the need for legislation of some kind. I think it might be well for me to cite the two sides of the question so that the committee will realize what has been under discussion in Alaska in connection with this proposal. First, they do acknowledge need for settlement and, most importantly, they acknowledge the need for land titles passing from the Federal Government to private ownership. That in itself has been one of the great drawbacks in the history of the settlement of Alaska. We find ourselves here in the year 1950 where the Federal Government still owns approximately 99 percent of the land. That is not good. We all acknowledge that there should be an increasing amount of private ownership of land in the Territory of Alaska.

The bill now before us for consideration contains some very desirable aids to settlers, and includes the principle of veterans having a priority and an opportunity of going there and homesteading land. That is as it ought to be.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am glad to yield to the gentleman from Colorado.

Mr. CARROLL. Evidence and testimony was introduced on this bill, was it not, before the Public Lands Committee in the Eightieth Congress?

Mr. BARTLETT. That is correct.

Mr. CARROLL. Has any opposition developed from groups in Alaska to this bill since that time?

Mr. BARTLETT. I would say that the same opposition has been renewed, rather than its being new opposition. I do not know of any new opposition. Those who previously objected have renewed their objection.

Mr. CARROLL. Is there any real concentrated opposition to the passage of this bill by groups in Alaska?

Mr. BARTLETT. I would say that the opposition is rather general. It was evidenced by a memorial from the Alaska Territorial Legislature adopted at the last session. It did not approve of the exact mechanism of the bill.

Mr. CARROLL. But they are in favor of settlement.

Mr. BARTLETT. They favor settlement generally; yes.

Now, further answering the gentleman, may I say that there are two questions that are presented which probably have caused much of the opposition that has developed. One school of thought believes that the acreage to be given to any individual settler in the bill is too large. Another school of thought which has gained considerable expression in southeastern Alaska feels that the bill would do a disservice by breaking up the great national forests. There is an area of about 16,000,000 acres in a single national forest in southeastern Alaska; that has been so since the early part of the century. It has been stated that five pulp mills can be established in that area sufficient to give the United States about 25 percent of its pulp requirements in perpetuity on a sustained yield basis. There are those who feel that if the pulp mills are constructed the timber they would depend on should remain under Federal control. In fact, I am convinced that a substantial majority of the residents of the area are of that opinion. Some say that under private ownership the pulp mills could contract with the individual homesteaders. However, I merely express to the gentleman the opposition that has made itself felt in that area.

Mr. CARROLL. Is there any protection in the present bill which would prevent or prohibit any individual using veterans to acquire great tracts of land under the privileges we give the veterans?

Mr. BARTLETT. There is a restriction in that the Secretary of the Interior is given discretionary authority as to whether the maximum amount of acreage in the bill shall be allowed to any individual settler. Is that correct?

Mr. LEMKE. That is correct, and he is restrained from selling it for 5 years beyond the time he finally gets his patent. He has to live on it for 3 years, except he is allowed for his service in the Army.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CARROLL. Mr. Chairman, I want to commend the gentleman from Alaska for the great fight he has made during the Eightieth and Eighty-first Congresses. I know how sincere he is in this matter.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Texas.

Mr. FISHER. It is true, is it not, that unless and until more of the public land is opened for settlement in Alaska we cannot expect a great deal of development and progress up there?

Mr. BARTLETT. I am afraid that is true. This land is open now under existing homestead laws, but they are simply not working. I think everyone will be forced to admit that the homestead laws are not working out very well.

Mr. FISHER. The thing that is needed in Alaska today is more settlement and the gentleman feels this bill will have that effect?

Mr. BARTLETT. I would say that we are in a very desperate need of legislative help so that the Territory may be settled. Whether this bill is exactly the appropriate vehicle or not, I have substantial doubts. I want to add for the record that the regional director of the Forest Service in the Territory, B. Frank Heintzleman, is a man who has devoted a lifetime of service to the development of Alaska's timber resources; he is conscientious and able and has done a good job. He naturally views this whole situation in terms of pulp development in connection with those areas under the Forest Service control. The expressed position of the Department of Agriculture is against opening up the national forests of Alaska to homesteading; and that view is shared by all Alaskans who have talked with me or communicated with me on this subject.

Mr. PETERSON. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I think the gentleman from Alaska [Mr. BARTLETT] has pretty well expressed my feelings regarding this bill. I think the purpose as outlined by the gentleman from North Dakota [Mr. LEMKE] is most laudable. I want to say at this time that it has been a pleasure to work with the gentleman from North Dakota who, on every occasion that I know of, has constantly worked to foster and encourage the growth and development and proper utilization of our resources, whether they be forest, land, or water. But, in winding up his very good statement the gentleman from Alaska mentioned that he had doubts as to whether this is the proper vehicle to go about accomplishing the purpose which we should like to, to increase and encourage the settlement of American veterans up in Alaska. I feel, in spite of the merits of the bill and the laudable objectives, that there are too many loopholes. I know, by personal experience, for we went through exactly the same situation in the forest areas in northern Minnesota after World War I.

Briefly, here is what happened. We had a vast unsettled forest area. Following World War I we were going to en-

courage the veterans to settle under liberal provisions of a homestead law. They came up there and settled in these different spots in that area where there was no previous classification, zoning, or evaluation as to the agricultural value of the land or the timber resources. The timber was logged off under contract, mostly by the big lumber companies. Then the settlers began to clear off their land of the stumps and the rocks in this glacial land. After working for 15 or 20 years they finally realized that they were living on submarginal agricultural land that would not sustain a family, and consistently the majority of those farmers had to implement their annual earnings by employment on the county roads, the township roads, State roads, and various services and that type of thing. We had no control on where these people settled; they would settle like raisins in a cake and spread out in this vast public domain. Wherever a family settled, the children were compelled to go to school, and by the same token the State and the local governmental units were compelled to provide school facilities. So these long roads had to be built in a wilderness area to reach a homestead with one or two children, and they were transported by county busses for 5 and 6 and 7 miles to go to a little one-room school. Then 20 years too late they moved out, and we enacted a State law in which we had a classification and land zoning, and with respect to certain lands we encouraged the farmers to exchange their submarginal land for land that was better suited and closer to municipalities where they had available educational facilities and hospitals and libraries and all these other things.

I must say to the gentleman from North Dakota that I cannot go along with this bill unless better safeguards are provided under its provisions. A veteran, although he is supposed to reside for 3 years on the land he stakes out, actually can get 2 years of credit merely for his military service. He has 1 year left to reside. But, of that 1 year the Department of the Interior may allow him 5 months of leave. So, actually, a veteran can go up there under the provisions of this bill and reside for 7 months within 10 miles of the land he is staking out. He can get up to 2,560 acres of land, and if you get in a good timber area, he can get up to \$76,000 worth of timber. So, there is nothing under the provisions of this bill that would prevent a veteran residing there 7 months, then return to the States, wait for 5 years, and sell his timber rights for \$75,000.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from North Dakota.

Mr. LEMKE. I would just say to the gentleman that he apparently has not read the bill very carefully, because we provide that there must be classification of the land and it must be open for settlement, and designated as such, and that then the veterans have 1 year priority over others. If the gentleman's theory were followed in North Dakota, we would still be a wilderness.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. I wonder if the gentleman has read page 26 of the bill where it provides that not more than one-tenth of the timber shall be cleared and that the remainder shall remain on a sustaining-yield basis? Has the gentleman read that section?

Mr. BLATNIK. Yes, and that is exactly why I say the individual veteran cannot log the land himself. On a small area from 320 to 2,500 acres, you cannot get very far on a sustaining-yield basis. But he can reside in the States and lease his timber rights to a big logging company, that will pick up many of these rights all around and will keep on year after year cutting 10 percent on each of these parcels of land.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. WHITE of Idaho. Does the gentleman understand what "sustained yield" means?

Mr. BLATNIK. I surely do.

Mr. WHITE of Idaho. It means you go in with selective cutting.

Mr. BLATNIK. I understand the sustained-yield principle of cutting on a crop basis, cutting the mature timber a certain amount each year, so that you have in effect the equivalent of the original stand still remaining.

Mr. Chairman, I am all for the gentleman from North Dakota and the purpose of this bill, but I, too, have more than just serious doubts about whether this is the proper vehicle. I should like to see a little attention paid to this, because I believe that an ounce of prevention is worth a pound of cure.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, it is a rather unusual situation we are presented with at this time. It seems that no one objects to this bill. I have been listening rather carefully, and unless I am badly in error there is no objection to the bill, that is, the purpose of the bill. There does seem to be some objection to some of the provisions of the bill.

I call your attention to the fact that almost never does a bill come before the Congress but that either this body or the other body amends it in some way. But no one so far has objected to the very fine and laudable purpose of this bill. Certainly if there is no objection to the bill we ought to pass it. Of course, if the bill needs amending we should amend it.

I should like to read you an excerpt from the report on the bill and make a very short comment thereon. Among other things the report states:

Under the provisions of H. R. 4424, an applicant would receive a homestead of not less than 320 acres or more than 2,500 acres, depending upon the type of land, its location, and the uses to which it may be put in order to support a family of seven on an American standard of living. No claim would contain more than 160 acres of arable agricultural land.

I now come to the paragraph to which I want to direct your particular attention:

Homestead claims would be classified as agricultural, fur farming, grazing, timber, or any combination of these designations. They could be located on islands as well as on the mainland.

You can readily see that farming in Alaska will be somewhat different than it is in your good State and in my good State, and that this maximum amount of acreage is a necessity in some instances if we are going to offer inducements—that is, reasonable inducements to people to settle this great Territory.

In my judgment we will never get Alaska properly settled by homesteaders and by good American citizens, so that that Territory will be of great benefit to them, and to us, for national defense and for all other purposes, unless we offer some reasonable inducements for them to go there. It is quite a way off, and although the climate is not so severe as some think, perhaps, yet it is more severe than the southern climes of course. It being a new territory and a new land, the people who go there, must, of necessity, realize that they will have to undergo some hardships. So if we are to carry on with real homesteading in Alaska we must offer some inducements for people to go there.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. GRANGER. Will the gentleman tell the House what the qualifications are for proving out on a homestead?

Mr. MORRIS. Yes, I will read this from the report of the committee:

While an actual residence on the land for a period of 3 years is required to make final proof of claim, up to 2 years' service in the armed forces of the United States shall be credited as actual residence of the veteran. Any veteran discharged because of wounds or disability incurred in line of duty is automatically credited with 2 years of residence.

In other words, a 3-year's residence is required, but the service of a veteran may count up to 2 years, and a disabled veteran, that is, a veteran who is discharged because of wounds or disability which incurred in line of duty, is automatically credited with 2 years of residence.

Mr. Chairman, these are very reasonable requirements. It seems to me they are very fair requirements and since there is no opposition to the bill it should be passed unanimously.

Mr. LEMKE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. D'Ewart].

Mr. D'Ewart. Mr. Chairman, I think we have gone far afield from the purpose of this bill. Therefore, in order to make perfectly clear and establish beyond a doubt what the bill is about, I am going to read to you a part of the opening paragraph of the bill. It is as follows:

That the national defense and the national interest requires the settlement and development of Alaska in order to make possible the full utilization of its resources and to further the national security by providing

in the area a firm foundation of permanent residents. The national interest also requires that land be made available to veterans who desire to undertake the development of virgin territory in order to secure land for themselves and their families and that such undertakings be encouraged to an extent commensurate with their value to the Nation. Because of the remoteness and climatic conditions of Alaska, settlement there involves greater expenses, financial risks, and physical hardships than does settlement in other parts of the United States. Large-scale settlement of the Territory requires a greater inducement to the pioneer settlement than exists at present. This act is designed to provide the necessary inducement in the form of enlarged homesteads, while making certain that there will be a minimum of Government interference in the development of the land.

Therefore, this bill has two purposes: First, to make available homesteads to veterans who wish to settle in that area; and, second, the national defense. Surely no one can object to those efforts carried in the legislation.

Over the years it has been definitely ascertained that the present laws do not encourage settlement in Alaska. People are not moving there. They are not taking homesteads, and we are not getting the people into Alaska that we should have in that area. Therefore, our committee, which is charged with the management of these areas, has tried to survey the field and find a way by which we could encourage settlement of this area for national defense, and also to develop the area. We have done this in this bill by making available enlarged homesteads. Those homesteads can be taken up either as agricultural homesteads, in which case only 160 acres can be arable land, or they can be fur farms, grazing, or timber, or a combination of any of those kinds of uses. We encourage the veterans to go there by several means. First, by priority of right to acquire these lands. Second, in order to insure permanent settlement and protect the veteran from speculators, the bill provides that during a 5-year period from the date on which the patent is issued, no part of the land shall be alienated except by devise, descent, tax sale, or transfer. In other words, a veteran knows his homestead is protected for 5 years. The veteran who makes application for a homestead under the provisions of this act may apply to the RFC for a special loan.

To further encourage settlement of this land, we make available to everyone, not only these different classes of lands, but in addition the bill provides that only one-tenth of the timber on these lands can be cleared in any 1 year. In other words, we will have a sustaining yield basis for the management of the timber.

Mr. LEFEVRE. Mr. Chairman, will the gentleman yield?

Mr. D'Ewart. I yield.

Mr. LEFEVRE. Can the gentleman tell me what has been done about saving those areas in southeastern Alaska where we hope to get large paper mills?

Mr. D'Ewart. There are a number of areas that are specifically prohibited from being settled, under the terms of

this bill. In addition to that, the bill provides for classification, so that mistakes in the settlement of these areas will not be made.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DEWART. I yield.

Mr. STEFAN. Can the gentleman tell the committee how many pieces of land would be available for homesteads and how many people could be attracted to Alaska under this bill?

Mr. DEWART. I cannot answer that question because a great deal of this land has not been surveyed. It is necessary that careful examination be made for the purpose of classification of the area with regard to the use which the veteran will make of it before these homesteads are opened. We do not want to place any veteran on any homestead where he cannot make a living.

The CHAIRMAN. The time of the gentleman from Montana [Mr. DEWART] has expired.

Mr. LEMKE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. STEFAN. Will the gentleman yield further?

Mr. DEWART. I yield.

Mr. STEFAN. Has some estimate been made as to approximately how many pieces of land there would be and how many people would be attracted to Alaska?

Mr. DEWART. No. There has been no such estimate made.

Mr. STEFAN. Does the gentleman have any idea as to how many individuals could be attracted there?

Mr. DEWART. I have not. At the present time, of the several million acres available, only 10,000 acres have been settled. Up to date we have had very little success in settlement. We hope in this bill to encourage it.

Mr. STEFAN. Does the bill give some mechanics as to how the homesteads would be opened? Would they be under the Kincaid program?

Mr. DEWART. It gives preference to the veteran.

Mr. STEFAN. But the mechanics, as to the drawing.

Mr. DEWART. There will be no drawing. It is expected there will be plenty of arable land, or fur-bearing land, or timber land available.

Mr. STEFAN. How would the veteran apply for this land?

Mr. DEWART. He would apply to the Bureau of Land Management, through the regular channels for making homestead entry.

Mr. STEFAN. Are there any qualifications for application?

Mr. DEWART. Only veteran qualifications, outside of those that are applicable to all homestead entries.

In addition to increased acreage I may state that the bill provides for the development of roads and for assistance in transportation to Alaska and in other ways so that people will be encouraged to go into this territory. Alaska is one of the areas in which we are especially concerned over national defense and where we are spending huge sums of money to protect the area. If we could settle a large number of people there it

would help very greatly in the defense of this area, and this bill will help with that effort.

In closing I wish to compliment my friend from North Dakota in his efforts and good work on the Committee on Public Lands. He is one of the most able members of that committee, one of the most hard-working, and because of his many years of service in this committee he is familiar with the land laws, the mining laws, and the mineral laws, and is therefore very able to help on that committee. In bringing forth this bill he has tried in his way to settle Alaska for national defense and in the interest of the veteran. He is to be commended for that effort.

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, this bill ought to be passed; it ought to be passed by this House because it is, as mentioned by previous speakers, of extreme importance that the Territory of Alaska be settled. We need people up there to develop resources. The fundamental objectives of this bill are laudable. The distinguished gentleman from North Dakota has put in innumerable hours on this bill. Hearings were held on this bill in the Eightieth Congress; hearings were held on this bill in this Congress.

I am opposed to one provision of this bill, but in spite of that it does not keep me from supporting the bill in its entirety. I am not in accord with the gentleman from North Dakota in connection with the forest provisions of this bill, for I do not believe that presently in this bill there is adequate protection for our forests in Alaska. I believe, however, that in passing this bill the other body will take that into consideration before the bill comes back and that the House conferees by that time will have been able to work out a provision which will protect the national forest reserves of Alaska.

Mr. LEFEVRE. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. LEFEVRE. Along that line, is there not a provision in the bill that in taking a timberland claim the veteran must maintain it on a sustained-yield basis?

Mr. MARSHALL. The gentleman is absolutely correct. However, when you strip timber off the land the sustained-yield provision means nothing, because the person can turn back that claim and you cannot hold him for any part of the damage he may have done to that land. I think that is the provision that ought to be corrected before this bill finally becomes a law. It is my understanding that the other body has been informed of that and has it under consideration. The point I want to make is that there are so many other objectives in this bill, especially those connected with defense, that this bill ought to pass the House today and be sent to the other body where the legislation can be proceeded with. If we do not adopt this bill today there will be no other opportunity of this bill's passing this session of Con-

gress. If this bill should not pass at this session of Congress it will delay the settlement in Alaska which is so vital for the defense and welfare of this country. There are fine resources in Alaska, there are resources that ought to be made available.

The fear has been expressed that the land might be settled haphazardly. I believe there is adequate protection in this bill against that sort of thing. The land is classified. I think everything possible is done to avoid that sort of thing. The only provision in the bill at all, and I repeat, that I can see we can raise any exception to, from the standpoint of good logical reasoning, would be the forest-protection matter, and I think that is something which can be ironed out. It is necessary that we expeditiously get this bill passed at the present time so that we can get some action on it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes. Will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Florida.

Mr. PETERSON. Mr. Chairman, I want to take this occasion to thank the gentleman for the fine, practical explanation he has made. We do not pretend that this is a perfect bill. There are certain features which one Member or another might object to, but we do know that the other body will have hearings, we do know it will have to finally go to conference, we know that there is a definite and urgent need for the settlement of Alaska. This is the best vehicle we were able to work out after a long series of hearings. Substantially the same bill passed the Eightieth Congress.

Mr. MARSHALL. May I say to the members of the committee that the Committee on Public Lands has a most distinguished gentleman as its chairman and it has been a real pleasure for me as a member of that committee to work under the direction of our very able colleague from Florida [Mr. PETERSON]. I know that the members of our committee have put in long hours in the consideration of this bill. I do not know how much time was put in on the bill in the Eightieth Congress, but I have been informed that it spent considerable time on the bill and held lengthy and numerous hearings. At no time has anybody opposed the fundamental objectives of the bill—that is, the settlement of Alaska. That is the thing we are all interested in. We all realize the importance of getting that Territory settled. The only opposition which I know of that has come to this bill in the hearings I sat in on was from the Forest Service of the Department of Agriculture. They are the only ones that objected to that particular phase of the bill, which I do want to repeat, it is something that can be taken care of in the other body.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Utah.

Mr. GRANGER. Will the gentleman tell the House whether or not there was

any representation made by the inhabitants of Alaska relative to this bill?

Mr. MARSHALL. It is my understanding that recently there has developed some opposition to the bill; however in the hearings the people who appeared on the bill were all in favor of it. It is my understanding that the objections which are being raised presently by some of the people from that area are in connection with the forestry end. I also understand, as was indicated by the Delegate from Alaska, that there is some question about the size of the homesteads provided.

Mr. LEMKE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I should explain in the first place that my interest in this particular legislation came as the result of serving as a minority member of the Consent Calendar Committee. This bill was placed on the consent calendar. When that was done immediately we received word from the Department of Agriculture of some serious implications contained in the legislation and the opposition of that Department to it. I thought, therefore, it was my obligation to call to the attention of the House, when an effort was made to have this bill considered in the House as in the Committee of the Whole, some of the objections that have been raised.

It is perfectly clear from the debate that nobody has objection to the basic purposes of the legislation, namely, the settlement of Alaska. We are all most concerned over the need for immediate action in that direction. Some expression has been voiced here, however, that as long as the title of the bill is a good one or the objectives as set forth in the first two paragraphs are good, therefore we should not read any further and just pass it. Well, I do not subscribe to that method of dealing with legislation, nor do I subscribe to the idea, "Well, let Joe do it; let the other body correct the defects that exist in it." I think that I, as a Member of this body, and each and every one of us as Members of this House, have a responsibility and we should see to it that if we pass legislation that it is in as good a form as we know how to put it. I think it is unfortunate that we should come here today and confess, "Well, the bill is not in very good form but, well, let us let the other body take care of it and we can probably fix it up, too, in conference." I think certainly that is going to be necessary unless we refer this bill back to the committee.

Let me call to your attention some of the facts that have come to me. No. 1: The Alaskan Legislature has memorialized Congress of its opposition to the legislation. No. 2: I was informed, but have no information one way or the other on it, that the American Legion has registered opposition to the legislation.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from North Dakota.

Mr. LEMKE. The Disabled Veterans did not register any objection; in fact, many of the American Legion posts are for it and many locals have endorsed it.

I am not claiming that the American Legion as a whole has passed a resolution one way or the other, but the Disabled Veterans are for it 100 percent, so far as I know.

Mr. BYRNES of Wisconsin. Then I stand corrected. As I say, most of my information on the legislation, I will admit, is second-hand. I will admit, too, that I am no authority on homesteading or anything of that kind.

No. 3: The Department of Agriculture has registered opposition to the legislation. The Forestry Service of that Department is particularly opposed to it. The Bureau of the Budget, I am informed, has made a report in opposition to it.

Mr. LEMKE. Mr. Chairman, if the gentleman will yield, the Bureau of the Budget twice approved it and then it said finally that there was another bill, (H. R. 1701) that they approved, and everything in H. R. 1701 is in the present bill excepting one amendment, and that is where the forest claims should be allowed to be filed, and that is the only difference of opinion. There has been enough evidence on both sides and the committee unanimously decided against them. Now it will go over to the Senate and we can thresh that matter out there.

Mr. BYRNES of Wisconsin. I appreciate that information from the author of the bill. Let me say a word about the committee report that was filed on this bill. This report came to me as a member of the minority committee on the Consent Calendar. I, of course, read the report and tried to understand the bill as best I could so as to carry out my obligation to the House as a member of that objector's committee. I noticed two things specifically which I think are most improper, as far as committee reports or concerned. The purpose of a committee report is to give to the membership a full understanding and full information in regard to the legislation that the committee is reporting. If you will take the committee report on this bill, you will find that whereas most reports contain a full statement relative to the bill from the department involved, this report does not have that full statement even from the Department of the Interior in this case. No reference is made to any report from the Department of Agriculture, which I understand has reported, and which Department definitely recorded itself in opposition to the bill. And here is another point which I think it is time we should start paying some attention to. This bill is going to cost some money in addition to providing machinery for the settlement of Alaska.

Mr. LEMKE. Mr. Chairman, if the gentleman will yield, as far as the Department of Agriculture is concerned, its opposition is in the hearings; it has been there. We had full hearings; in fact, they were very active in both hearings.

Mr. BYRNES of Wisconsin. The gentleman will understand, I think, the one point I am trying to make, and that is that in all committee reports the policy which most committees follow, and your committee is now following, I will say—the gentleman from Florida ac-

knowledges that omission and has been following it since I called it to his attention—should be followed. That policy is that all the departments involved, and particularly when they are involved as the Forestry Service and the Department of Agriculture are involved here, should have their opinions registered in the report. As far as the hearings are concerned, the hearings are not available right now. I know that the hearings have been printed, but I am advised that because the bill came up hurriedly the hearings are not available here on the floor.

The further point I would like to make is that nowhere do we find any statement from the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Florida.

Mr. PETERSON. The gentleman has called attention to the condition of the report and called attention to myself, and I appreciate it. I want to say that the gentleman has always been very thorough and very fair. I imagine that the reason this report was not as complete as some of the others is because the bill had previously passed the Eightieth Congress, and the gentleman from North Dakota [Mr. LEMKE] had followed it, and a portion of this bill was a committee bill where they sought to clear up some of the things raised by the Department. But, the gentleman knows that the committee now puts all reports, whether they are adverse or favorable, in, so that they can have a picture of the whole thing.

Mr. BYRNES of Wisconsin. I appreciate that statement from the chairman of the committee. I know that of all the chairmen I have had contact with he has been one of the most conscientious in his work on legislation and in his efforts to get legislation in proper form for consideration by the House. Because of his fine work a lot of amending and even a lot of speechmaking on the floor has been avoided in connection with bills coming from his committee.

Mr. PETERSON. I thank the gentleman.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. WHITE of Idaho. The gentleman comes from the great State of Idaho, that contributed so much in the way of timber to the building of the great cities of Chicago and Milwaukee.

Mr. BYRNES of Wisconsin. We want to see that that development of our forest and timber resources goes on.

Mr. WHITE of Idaho. This bill in no way interferes with the national forests of Alaska.

Mr. BYRNES of Wisconsin. The Forest Service tells me it does interfere very definitely with its forestry-development program. That is why they called it to my attention.

Mr. WHITE of Idaho. There is nothing in the provisions of the bill that takes any land out of the national forests?

Mr. BYRNES of Wisconsin. Not that I know of. I am not informed as to what is going to be taken away from the Forest Service. I am just telling the gentleman what the Service tells me.

May I continue on this matter of the importance of having a report from the Bureau of the Budget on legislation before us? When we consider the fiscal condition of this Government today, there is no more important item than the relationship of a bill to the fiscal condition of the country. Time after time that question is given no consideration by the House when it passes authorization bills. We leave that great responsibility, which really is the responsibility of the House, to the Committee on Appropriations. Too often, it seems to me, we pass legislation setting up new governmental programs without any regard whatsoever for the cost of such programs. In my judgment that is one of the principal reasons why we are today spending almost \$6,000,000,000 a year more than we are taking in. It is because we authorized programs with little regard to their cost that we found ourselves in great difficulty in attempting to reduce the appropriation bill which was just recently before the House. Although we attempt to place responsibility upon the Committee on Appropriations, the responsibility to operate the Government within its income rests with the House itself and can only be carried out if we recognize that responsibility at the time authorizing legislation is being considered. All committee reports should certainly contain some statement by the Bureau of the Budget with regard to the effect of the legislation upon the fiscal condition of the Government. This committee report contains no such statement.

Mr. MORRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, this is a very important piece of legislation. Across the straits from Alaska, Russia is anxious to get that part of the country settled. They are forcing people to go to Siberia, tearing them away from their homes and sending them there as prisoners to settle up that country. But we with our constructive homestead law are inducing people to go in there. We are now opening the gates so more people can go there to settle, own land, and build homes.

I am the product of a homestead, a cut-over, stump-land farm. That is the way we got our start, and it was a hard way to start. If we had obtained the timber that grew on that land we could have had the means to build a home, clear the land, build fences, and equip a farm. We could have been way ahead of what we were. We went there after the land had been denuded of timber by the big-timber barons. The timber barons now are denuding Alaska of timber. They are bringing into their camps transients who cannot settle on land, cannot get married, cannot raise a family. The men transients live in big bunkhouses and eat in cook houses.

These paper and lumber companies put things on a temporary basis and are exploiting the timber of Alaska.

The Government instead of following a homestead policy that has built up the communities of America are excluding bona fide settlers, letting them take up the land and timber as they did in our Western States when they went up on the land and built homes and cleared farms and brought civilization to a desolate country.

We are trying to keep everything of value for the exploiters and induce people to go on the land under conditions where they cannot make a living.

What we should do is follow the program of encouraging and assisting the homesteaders which has been followed here in the United States. I was surprised to hear the gentleman from the great State of Wisconsin, which was settled up by pioneers in the woods, which produced the timber to build up such cities as Chicago and Milwaukee and where they cleared the land and built up such beautiful farm lands and farmsteads across the State of Wisconsin, one of the finest and most productive States in the Union, where the settlers cut down the timber and sold it and used the money to build up the farms and grubbed out the stumps and made the communities of the great State of Wisconsin.

I say, I was surprised to see him stand up here so solicitous for the Forest Service, when they practically have all of the best timber in Alaska in the national forest. There are too many national forests in Alaska today. We should let the settlers in, as they do in Sweden and Norway. We should let the people go in and utilize that timber to build up their homes and build farmsteads and build up the country. If we keep on following this conservation policy in Alaska, Alaska will never amount to anything. It will never develop unless we pass a bill like this to open up the country and let the people go in and settle there and build their homes. We should not conserve all this timber for the big companies to exploit by building logging camps and bunkhouses and cookhouses and bring in transients who have no interest in the country anyway and who have no way of anchoring there. Their employees will just go in there and leave a denuded country behind as they have done in so many places in the West.

We should build up Alaska. We should settle it. We should make the timber available to the settlers so that they can use and sell the timber to make a few dollars. The gentleman from Wisconsin talks about an appropriation. This bill is to avoid the necessity of making appropriations. This is to make it possible for a man to go on the land and support himself and his family and settle the country and build up a community just as we have done here in America.

Mr. Chairman, I am for this bill and I hope the Committee will pass it.

Mr. LEMKE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, this legislation deals with 243,000 square miles in the Territory of Alaska. I understand that is approximately 50 percent of the total land area of Alaska. It involves 150,000,000 acres in the Territory of Alaska, 20,000,000 being national-forest lands. These figures are somewhat significant and I am, to a rather strong degree, disturbed by our apathy and by the casual way in which the House today seems to be discussing and legislating on this particular bill.

My ideas are somewhat in accord with those of the gentleman from Wisconsin. I feel that the first few paragraphs in the bill, as it has been introduced by the gentleman from North Dakota [Mr. LEMKE] admirably set forth worth-while objectives. I think we would all favor in general what the legislation seeks to accomplish. But there is a vast difference of opinion as to the method. I sincerely regret we are not going to get the bill in the best shape possible on the floor of the House. I deeply regret we are going to send it to the other body for them to revise with the hope that it will eventually be perfected in conference.

In my humble estimation, it would be better if we should recommit this legislation to the Committee on Public Lands for active reconsideration and proper revision by that fine committee.

Several Members have stated that various organizations seem to favor this legislation. I think that is true, but it is a matter of degree. It is a matter of whether or not they favor this specific bill and the provisions contained therein. Comments have been made that the VFW favors the legislation. I think a careful analysis of their endorsement would reveal that they were not favoring this bill as it is presently before us. It has not been brought out that many organizations in the Territory of Alaska are opposed to this legislation. The public hearings show, for example, that there are on record with the committee telegrams from the Junior Chamber of Commerce of Petersburg, Alaska, dated May 11, 1949. This particular telegram states that its membership is composed wholly of veterans, and they are opposed to the legislation.

There is a telegram from the Petersburg Chamber of Commerce also opposing the legislation.

There is a telegram from the Juneau Chamber of Commerce objecting to the bill.

In addition, the Veterans of Foreign Wars Post, No. 4352, of Ketchikan, Alaska, opposes the legislation. They talk about the VFW endorsing it. Here is record opposition by a VFW post right in the Territory. If I had the decision to make, based on two endorsements, I would follow the endorsement of those who live in the Territory rather than some national organization.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. FORD. Not at this time. In addition, Ketchikan Post No. 3 of the American Legion opposes this legislation.

As has been brought out before by the Delegate from Alaska, and several others,

the Alaska State Legislature has memorialized the Congress not to approve this legislation. We have also had called to our attention the fact that the Department of Agriculture, particularly the Forestry Service, is opposed to this legislation in its present form. The Department of the Interior expressed some opposition to one or more of the bills that were introduced. I do not know if they actually oppose this particular bill at the present time.

Here is a detailed list of the opposition to the bill in the Territory itself:

Executive committee, Alaska Native Brotherhood; Alaska Legislature; Wildlife Management Institute, Washington, D. C.; Ketchikan Chamber of Commerce (Alaska); Juneau, Alaska, Chamber of Commerce; Carl Heinmiller, president, the Port Chilkoot Co., Haines, Alaska; Fairbanks, Alaska, Chamber of Commerce; American Legion, Post No. 14, Petersburg, Alaska; Petersburg, Alaska, Chamber of Commerce; Tom Jones, secretary, Nenana, Alaska, Igloo No. 17, Pioneers of Alaska; New England section, American Foresters, Bangor, Maine; Kodiak Chamber of Commerce (Alaska); Anchorage, Alaska, Chamber of Commerce; Department of Alaska, American Legion; Ketchikan Post of Veterans of Foreign Wars (did not want bill to apply to southeastern Alaska); Ketchikan, Alaska, Post No. 3, American Legion; Wrangell, Alaska, Chamber of Commerce; Sitka, Alaska, Chamber of Commerce; Petersburg Junior Chamber of Commerce (Alaska); Petersburg, Alaska, Post No. 14, American Legion; The American Forestry Association, Washington, D. C.; Camp Fire Club of America; Sitka Post, American Legion (Alaska); Camp No. 1, Sitka, Alaska, Alaska Native Brotherhood (rights of natives not adequately protected); Hoonah Camp, Alaska Native Brotherhood, Sisterhood, and town of Hoonah (rights of natives not adequately protected); National Parks Association; Denali Post 1685, Veterans of Foreign Wars; Seattle Chamber of Commerce; Hydaburg town.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. FORD. I thank the gentleman. In conclusion I would like to make one other comment. As a former practicing attorney, I am familiar with the difficulty of writing into patents or into deeds reverts that will protect the Government or any vendor in case the purchaser violates the terms of the deed or the patent. I am informed that the Solicitor of the Department of Agriculture states that the perpetual provision that would require homesteaders to maintain a sustained yield would not, in all likelihood, be upheld by the courts. Many of the people who favor this legislation are depending upon that particular provision in the act. I reemphasize that at the present time, however, there is an opinion from the Solicitor of the Department of Agriculture which says that in his estimation such provision would not be upheld.

I think those are some of the things that should appeal to us to send this legislation back to the committee for further study and eventually further submission to this body.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield now?

Mr. FORD. Yes, I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Is the gentleman not aware of the fact that \$14,000,000 worth of timber in Oregon have been taken away from the railroads and revested in the Government because they did not follow the conditions of the patent?

Mr. FORD. But I think the situation is a little different in the situation now under discussion.

Mr. GRANGER. What provision is there in the bill by which it can be determined if a homesteader is maintaining a sustained yield? Who is going to determine that?

Mr. FORD. I have read the provision on page 26, lines 12 to 14, and it is not clear to me. I think it is inadequately expressed. There is not sufficient protection. For the reasons the gentleman from Utah has brought out I think the bill should go back to the committee for reexamination and redrafting.

Mr. PETERSON. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, the debate here shows rather clearly what the situation is. I wish, however, to call attention to the fact that substantially the same bill, after extensive hearings, was reported out in the Eightieth Congress. It passed the House; it did not pass the Senate. When the Eighty-first Congress convened the gentleman from North Dakota [Mr. LEMKE], who has followed this matter very seriously and closely, reintroduced the bill.

There is recognition by everyone of the need for settlement in Alaska. The proponents of settlement vary as to the different processes that should be used. It appeared in a bill which the Department sent to us, and that explains in part the reason the budget did not approve this particular bill, because the budget approved that bill. But the committee held hearings and taking into consideration that the House had already acted on a previous bill took the greater portion of the original Lemke bill, amended it to try to eliminate some of the objections that had been raised and to include some of the suggestions that were made by the Department and wrote what might be considered a committee bill. Out of deference to the distinguished gentleman from North Dakota, who has followed this question so long and earnestly, the committee allowed him to introduce the bill. The proposed amendments are before the House today. As I say, we allowed the gentleman from North Dakota the privilege of presenting that bill because it is a credit we thought he was entitled to. It is usual when an important bill comes out of a committee to have it carry the name of the chairman of the committee. He probably would like to have his name attached to it if there were not principles involved and credit to the people who had worked on it. So that is the reason that we reported out the bill as we did.

I do not think the bill is perfect or that it meets with the approval of everyone. I will say, however, that no bill that can be drawn affecting settlement in Alaska will meet the approval of everyone; it is such a vast area, there is such a diversification of land that you cannot draw a perfect bill for that area. This, however, is the best that the com-

mittee in its wisdom over a long period of time, both Democrats and Republicans, were able to draw and present to the House. We realize, of course, that the other body will hold hearings and that it will have the benefit of the debate here today. That is the reason we did not want to shut off any opposition. We wanted everyone to express their views. Ultimately this matter will have to go to conference. However, there is one thing certain and that is Alaska needs settlement. More than 98½ percent of all the land in Alaska today is owned by the Federal Government. You cannot erect a little church up there in certain areas without coming to our committee and getting a special bill. You cannot secure a little piece of land for the Campfire Girls without getting a bill from the Committee on Public Lands.

This is a good bill. There may be a few little reservations here and there. I certainly hope it will pass and I hope the benefit of the debate here today will assist the other body. In this bill you have the composite views of 50 men who have served on the Public Lands Committee, men from both sides of the House.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from New York.

Mr. KEATING. I was a little disturbed by the remarks of the gentleman from Wisconsin to the effect that the report does not contain any estimate of cost. I wonder if the gentleman can refer us to any evidence in the hearings or otherwise as to the meaning of section 706 where it authorizes expenditures by the Secretary of the Interior and the Secretary of Agriculture, whether those expenditures are likely to be substantial, and, if so, can the gentleman give us some idea of what they might entail?

Mr. PETERSON. That would be dependent upon the number of settlers and the progress which they make in the classification of the land. We have no way of knowing that, because we do not know how fast settlement will take place or how fast the land will be classified. We know that before they get any funds for the purpose of carrying out this act they will have to make their justification and come to the Appropriations Committee of the House for that purpose.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. PETERSON. Mr. Chairman, I yield myself two additional minutes.

Mr. KEATING. If these lands are settled, would they then pass from the status of nontaxable to taxable property? Would there be, you might say, an offsetting consideration there?

Mr. PETERSON. Yes. When they have reached the point where patent is given for the property, it then becomes taxable. When a man proves up and is entitled to title, the property then becomes taxable. That has been one of the big problems, one of the main problems, in connection with public ownership of property.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from New York.

Mr. COLE of New York. What reason does the gentleman give to justify the

Congress in going against the express opposition of the Alaskan legislator to this bill?

Mr. PETERSON. We felt we had to have settlement up there. We do not know what all the conditions are. But this committee has studied the Alaskan situation. We do know the need for settlement, we know that those who get the benefits from the present timber operations of the Government are powerful in their influence and prone to fight this, just as they fought the homesteaders in the West in earlier days. The great cattle barons fought the little homesteaders, the great timber barons fought the man who settled a little homestead in the forest. The history of the hearings held by the Public Lands Committee shows generally that there has always been a fight made by the large vested interests who profit off the forests and who profit from public lands. That is, before the days of the Taylor Grazing Act.

Mr. COLE of New York. Does that mean that in the opinion of the gentleman at least, perhaps in the opinion of his committee, the Alaskan Legislature is dominated by these hostile vested interests?

Mr. PETERSON. I would not say that, but I will say that many will profit by the present system of Government ownership, and they might have a powerful influence. I would not go so far as to say what happened, because I was not there. But, I do feel that this is a good bill and should be passed. The Territorial legislature probably had not seen the finished draft of this bill, as amended.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Answering the question of the gentleman with reference to taxes, it is a matter of fact that the only expense will be for the surveying of the land, which should be surveyed anyway, and the maintenance of the land office, and these people would pay a filing fee, and when they prove it they will have to pay another fee and then they will get fee simple title to the land and then they will be taxable like land here in the United States; is that not about the situation?

Mr. PETERSON. That is correct.

There are no further requests for time on our side, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the national defense and the national interest requires the settlement and development of Alaska in order to make possible the full utilization of its resources and to further the national security by providing in the area a firm foundation of permanent residents. The national interest also requires that land be made available to veterans who desire to undertake the development of virgin territory in order to secure land for themselves and their families and that such undertakings be encouraged to an extent commensurate with their value to the Nation. Because of the remoteness and climatic conditions of Alaska, settlement there involves greater expenses, financial risks, and physical hardships than does settlement in other parts of the United States. Large-scale set-

tlement of the Territory requires a greater inducement to the pioneer settlement than exists at present. This act is designated to provide the necessary inducement in the form of enlarged homesteads, while making certain that there will be a minimum of Government interference in the development of the land. This act shall be cited as the "Alaska Veterans' Homesteading Act of 1949": *Provided, however,* That the priority given to veterans under this act shall cease 1 year after the date of the designation for settlement of each area by the Secretary of the Interior, and all native born and naturalized citizens of the United States may then file on and acquire a homestead under the provisions of this act.

TITLE I—DEFINITIONS

SEC. 101. As used in this act, the term "veteran" means any person who served in the armed forces of the United States during any war between the United States and any other nation, and who has been discharged or released therefrom under any conditions other than dishonorable.

TITLE II—AREA

SEC. 201. (a) Except for public lands excluded under subsection (b), public lands in the following parts of the Territory of Alaska shall be made available for settlement by veterans, notwithstanding any provision of law or regulation to the contrary:

(1) That part of the Territory of Alaska known as the Panhandle, lying south of latitude sixty degrees, thirty minutes north, and east of longitude one hundred and forty one degrees west.

(2) That part of continental Alaska lying south of latitude sixty-three degrees north, and east of longitude one hundred and fifty-four degrees west, and south of latitude sixty-two degrees north, and longitude one hundred and sixty-seven degrees thirty minutes west.

(3) Such islands, not including Unalaska and Umnak, as lie within two hundred miles offshore of the continental area designated in paragraph (2).

(4) Areas on either side of the Alaska Highway for a distance of thirty miles.

(5) Areas on either side of the Richardson Highway in south central Alaska, from latitude sixty-three degrees north to its junction with the Alaska Highway at the village of Big Delta, for a distance of thirty miles.

(6) Areas on either side of the Alaska Railroad from latitude sixty-three degrees north to Fairbanks, Alaska, for a distance of thirty miles.

(b) The following public lands, as existing on June 1, 1949, in the Territory of Alaska, are excluded from settlement under this act:

(1) National parks and monuments.
(2) Military and naval installations.
(3) Town sites.
(4) Patented lands.
(5) Certain areas already designated in detail as reserves of spruce timber necessary for national defense.

(6) Areas set apart for the support of an agricultural and mechanical college (U. S. C., 1940 ed., title 48, secs. 353, 354, and 354a).

(7) The Annette Island reservation for Metlakatla Indians.

(8) Lands embraced in a coal, oil, or gas lease.

(9) Administrative sites.

(10) Airfields.

(11) Cemeteries and land reserved for cemeteries.

(12) Areas classified in aid of legislation.

(13) Lands reserved for the Veterans' Administration, the Coast and Geodetic Survey, the Bureau of Customs, the Public Health Service, and the Alaska Road Commission.

(14) Lands reserved for the support of common schools.

(15) Lands reserved for flood and fire control, and for lighthouse, dock, and power purposes.

(16) Reservations for fish and wildlife preservation.

(17) Native reservations.

(18) Lands set aside for springs, water supply, and water supply protection.

(19) Lands whose title is controlled and protected by title V.

TITLE III—HOMESTEAD PROVISIONS

SEC. 301. (a) That there is hereby created the Veterans Alaska Homestead Claim which shall be not less than three hundred and twenty acres; *Provided*, That no claim shall contain more than one hundred and sixty acres of arable agricultural land, and may be of any size up to and including two thousand five hundred and sixty acres; such size and shape being determined by the Secretary of the Interior, taking into account the type of land, location, and various uses therefor in order that the claim shall be an adequate family-type agricultural, mixed agricultural, fur-farming, grazing, or timber unit sufficient to support a family of seven on an American level of living: *Provided, however*, That if such claim is timberland that not more than one-tenth of such timber shall be cleared, and that the remainder be maintained on a sustained yield basis.

(b) Such homestead claims, for the convenience of the veteran, shall be classified and designated as agricultural, fur farming, grazing, timber, or mixed agricultural, for farming, grazing, and timber and may be located on islands, as well as on the mainland. Each such homestead shall be of a potentiality, or a composite potentiality, to support a family on such a level.

(c) Veterans Alaska Homestead Claims shall be available to all veterans, as defined in section 101, or after the expiration of the veterans' preference period to all citizens.

SEC. 302. (a) To make final proof of claim, a veteran must have actually resided upon the land or at a permanent year-round residence within 10 miles of such land for 3 years: *Provided*, That each day of active duty in the Armed Forces served by a veteran shall, up to and including 2 years, be accepted in full satisfaction of the residence requirement for such 2 years: *Provided further*, That the Secretary may grant leaves of absence not exceeding 5 months in any one calendar year upon an acceptable showing of the necessity for such absence. Any veteran otherwise eligible, who shall have been discharged on account of wounds received or disability incurred in the line of duty, shall be credited with 2 years' constructive service for purposes of this subsection.

(b) To make final proof a veteran must within 5 years from date of entry satisfy the Secretary of the Interior, or his duly authorized agents, that the following conditions have been met:

(1) That such claim has a habitable dwelling suitable for year-round occupancy.

(2) That the veteran is and has been living upon the land, pursuant to the terms of this act, and holds same for his own beneficial interest.

(3) That he is deriving some part of his income, or an amount equivalent to some part of an income necessary to live on such land, from the claim.

(4) A veteran may, as an alternative, also make final proof if he satisfies the Secretary of the Interior, or his duly authorized agents, that a reasonable program for use and occupancy of the homestead claim, as previously agreed upon by the applicant and a representative of the Secretary at the time the application for the claim is approved, has been complied with: *Provided, however*, That final proof shall be made within 5 years from the date of entry.

SEC. 303. (a) Upon final proof of claim by a veteran, the Secretary of the Interior shall,

on behalf of the United States, issue a patent to the land comprising such claim. Such patent shall be issued under the following express conditions:

(1) That during a 5-year period which begins with the date on which the patent is issued, no part of the land covered by such patent shall be alienated except by devise, descent, tax sale, or transfer authorized under section 2288 of the Revised Statutes, as amended (U. S. C., 1940 ed., title 43, sec. 174); or to satisfy the requirements of a bona fide loan.

(2) That during such 5-year period no part of the land covered by such patent shall be leased, except in the following instances:

(A) To a person qualified to a claim under this act.

(B) To a person, as tenant, who shall live on the land for the bona fide purposes of making a livelihood from such land.

(C) To anyone, where there is express consent by the Secretary of the Interior, it being the intent of Congress that any lease so approved will be for the further development of the resources and to encourage settlement.

(3) That the present forestry practices or the future forestry practices of the Department of Agriculture, requiring that all timberland be maintained on a sustained yield basis, shall be continued in perpetuity: *Provided, however*, That the Secretary of the Interior may, in his discretion, except a portion of the patented land from the sustained yield perpetuity clause, when in his judgment such action will not endanger the Alaskan forests.

(4) Upon judicial determination that any of the conditions of subsection (3) has been broken, the United States shall have the right to reenter that part of the claim with respect to which the condition was broken.

Sec. 304. Nothing in this act shall be held to restrict the right of the United States to exercise eminent domain over any claims however fully perfected.

TITLE IV—ADMINISTRATIVE PROVISIONS

Sec. 401. (a) The Secretary of the Interior is authorized and directed to cause to be made comprehensive surveys and studies and to designate lands available for the veterans' homesteads described in section 201 of this act: *Provided, however*, That nothing in this subsection (401a) shall prevent a veteran from squatting and entering upon land available for settlement under the provisions of this act, prior to the designation and public surveys of such lands by the Secretary of the Interior.

(b) Lands in the following areas shall be among the first to be surveyed and made available for veteran settlement in the order to be determined by the Secretary of the Interior: (1) the Portland Canal Cape Fox-Duke Island area; (2) the Kenai Peninsula; (3) the area along the Alaska highway; (4) the Cholmondeley Sound, Moira Sound, and Kasaan areas of Prince of Wales Island; (5) Kodiak Island; (6) the area along the Richardson Highway; (7) the Cleveland Peninsula; (8) the area along the Alaska Railroad; (9) the area in the vicinity of Lisianski Inlet; (10) Afognak Island; (11) the Craig area of Prince of Wales Island; (12) the area in the vicinity of Prince William Sound; (13) Etolin Island; (14) the area in the vicinity of Tenakee Inlet and Peril Strait; (15) the Alaska Peninsula east of longitude one hundred and fifty-eight degrees west; (16) such areas along the lower reaches of the Tanana River as may be recommended by the Bureau of Land Management of the Department of the Interior; and (17) that part of Prince of Wales Island lying south of the West Arm of Cholmondeley Sound and the road connecting the West Arm of Cholmondeley Sound with the Head of Hetta Inlet: *Provided, however*, That this shall not be deemed an exclusive list of areas to be opened for homestead entry.

(c) The normal practice of limiting entry to claims in rectangular shape shall be followed where practicable, except that whenever in the discretion of the Secretary of the Interior it becomes advisable to depart from this procedure in the interest of giving the veterans claim access to water for transportation, agriculture, domestic, or other purposes, or because of the configuration of the terrain, the boundary and form of claims under this act may be adjusted for the individual veteran to provide such access to water.

Sec. 402. (a) The Secretary of the Interior is authorized to provide necessary personnel and prescribe rules and regulations to carry this act into effect, it being the intent of Congress to develop and maintain the natural resources, encourage land settlement in Alaska, and discourage speculation in public lands and corporation ownership.

(b) The Secretary of the Interior is authorized and directed to furnish to qualified veterans, at cost, copies of the results of the surveys made.

TITLE V—REGISTRY OF TITLE

Sec. 501. Nothing in this act shall be held to authorize the making of an entry by any person upon land (a) listed by the Bureau of Land Management as in occupancy under this or some other homestead provision of law; (b) listed by the appropriate United States commissioner as occupied, pending ripening of title; and (c) listed as owned and registered under the provisions of an act of the Legislature of the Territory of Alaska entitled "An act to require declaration of the ownership of land, to impose a penalty for noncompliance, and to dispose of the proceeds of such penalties," approved March 24, 1945.

TITLE VI—AIDS TO SETTLEMENT

Sec. 601. Upon application by any veteran who has made homestead entry under the provisions of this act, the Reconstruction Finance Corporation may make to such veteran such a loan or loans as will be guaranteed under the provisions of title III of the Servicemen's Readjustment Act of 1944, as amended.

Sec. 602. Notwithstanding the requirement of title III of the Servicemen's Readjustment Act of 1944, as amended, that certain real estate loans be secured by a first lien on the realty, such requirement shall be satisfied in the case of any loan made pursuant to section 601 in respect of land on which entry has been made pursuant to the provisions of this act if the loan is secured by a lien on the improvements on such land and by a lien on the personality of the veteran to the extent legal and practicable.

Sec. 603. The Secretary of the Interior, upon application by an entryman under this act or an entryman or settler on public lands in Alaska under other provisions of law, or by an eligible group engaged in the development of a settlement area under this act, may provide assistance for the purpose of developing public lands in Alaska, exclusive of lands classified for farming or other agricultural purposes, under such terms and conditions as he may prescribe. Such assistance may include land clearing and grading, the preparation and erection of dwellings, buildings, and other structures, and the building of roads, docks, wharves, and other public facilities. The Secretary shall charge the applicants for such assistance at its actual cost, and shall require each applicant to enter into a contract for the repayment of such cost in not to exceed 40 annual amortized installments with interest at 2 percent per annum. Until paid, such charges shall be secured by a mortgage against the land and improvements in connection with which the assistance was given and by such other security as the Secretary in his discretion may determine.

Sec. 604. (a) The Secretary of Agriculture may make loans to entrymen under this act, or to entrymen or settlers on public lands in Alaska under other provisions of law, for the purposes of clearing and developing such lands for agricultural purposes and for the construction, repair, or improvement of farm buildings. Such loans shall be payable within not to exceed 40 years in amortized installments with due consideration for the period of time required for farm development, and shall bear interest at the rate of 2 percent per annum. Each loan shall be secured by a mortgage against the land and the improvements and by a covenant that the land will be operated as a farm with such conservation practices as the Secretary of Agriculture may prescribe, and shall be made on such other terms and conditions as may be necessary for the security of the loan. Loans under this section shall not exceed the reasonable value of the farm based on its earning capacity as established by a competent appraisal.

(b) The Secretary of Agriculture may clear and prepare land on behalf of borrowers and include the cost thereof in the loan for the development or improvement of the farm.

(c) The Secretary of Agriculture may also make loans to individual farmers and stockmen in Alaska for the purchase of livestock, feed, fertilizer, farm equipment and supplies, and other farm needs, and for the refinancing of indebtedness and family subsistence.

(d) The provisions in sections 41, 42, 44, 45, 46, 48, 49, 50, 51, 52, 53, and 54 of the Bankhead-Jones farm tenant act, as amended, to the extent that such provisions are not inconsistent with this section, shall be applicable with respect to the loans made pursuant to this section.

Sec. 605. For the purpose of promoting the settlement and development of Alaska, the Reconstruction Finance Corporation is authorized to make special loans to any business enterprise for use in developing the settlement areas. No special loan may be made unless the financial assistance applied for is not otherwise available on reasonable terms. All special loans shall be so secured as reasonably to assure repayment, and shall be made upon such terms and conditions and with such maturities, not in excess of 30 years, as the Corporation deems appropriate to carry out the purposes of this act and to protect the interests of the United States. The aggregate amount of loans and commitments made pursuant to this section shall not exceed \$7,500,000 outstanding at any one time.

Sec. 606. Any entry or settlement with respect to which a mortgage is taken pursuant to section 301, 302, or 303 of this act shall, prior to the issuance of patent by the Secretary of the Interior, be subject to cancellation, at the request of the holder of the lien, whenever default occurs in the terms, conditions, covenants, or obligations contained in the mortgage, or as otherwise provided by law. After cancellation or relinquishment of an entry or settlement on which there is a mortgage lien pursuant to the provisions of this act, the land shall become open for entry under this act or for disposition under other applicable provisions of the public-land laws to a person approved by the holder of the lien, and subject to the indebtedness to the holder of the lien. If within 1 year after such cancellation or relinquishment no satisfactory application for entry or other proper disposition has been received, the Secretary of the Interior may sell the land to satisfy such indebtedness, upon terms and conditions prescribed by him with the approval of the holder of the lien, and the proceeds therefrom shall be remitted to the holder of the lien.

Sec. 607. (a) The Secretary of the Interior is authorized to build roads and docks in order to facilitate transportation to and within settlement areas, to clear and grade

nonagricultural lands within these areas in order to prepare them for settlement, and to provide such technical, advisory, and other nonagricultural services to entrymen and settlers, and to other Federal or Territorial agencies, as he deems proper to insure sound settlement and development in Alaska. Expenditures made under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby.

(b) The Secretary of Agriculture is authorized, upon the subdivision of public lands into farm units under this act, to clear and prepare such land within each unit as may be necessary for the farmstead site and for private farm roads, together with such additional land for tillage, not in excess of 5 acres per unit, as may be necessary to meet immediate needs. Expenditures under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby, and shall not be included in the amount loaned pursuant to section 302.

(c) For the purpose of facilitating the settlement and development of public lands in Alaska for farming and other agricultural purposes, the Secretary of Agriculture may provide assistance to entrymen and settlers under this act or other public-land laws, and to other Federal or Territorial agencies. Such assistance may include such technical, advisory, and other agricultural services as the Secretary of Agriculture deems proper to insure sound development and settlement in Alaska.

SEC. 608. The Secretary of the Interior is authorized to contract, in such manner and upon such terms and conditions as he deems appropriate, with Government agencies and with common, contract, or private carriers by sea, land, or air, on behalf of applicants for, entrymen of, and other actual or potential settlers of, public lands in Alaska, and of eligible groups under this act, for the purpose of promoting the development and settlement of Alaska by providing efficient and economical transportation of such applicants, entrymen, and settlers, and of the members of such eligible groups, together with their dependents and their goods and chattels to, from, and within Alaska.

SEC. 609. (a) Any department or agency in whom functions are vested by this act may contract with any department, agency, or instrumentality of the Federal Government, or of the Territory of Alaska, for the provision of any of the services or facilities authorized in this act and shall utilize to the extent practicable the available services and facilities of other departments, agencies, and instrumentalities of the Government.

(b) Property which is excess or surplus to the needs of any department, agency, or instrumentality of the Federal Government which is situated in Alaska, and which is suitable for carrying out the provisions of this act in connection with the development and settlement of Alaska, shall be transferred to any department or agency exercising authority under this act upon its request without reimbursement or transfer of funds. Any such department or agency is authorized to transport, recondition, modify, and store such property, and to use it in carrying out its functions under this act or to dispose of it to settlers and groups of settlers under this act for their own use at equitable prices and under terms and conditions to be set by such department or agency.

TITLE VII—MISCELLANEOUS

SEC. 701. The Administrator of Veterans' Affairs shall, upon the request of the Secretary of the Interior, inform such Secretary whether or not any person who has made application for a claim or has stated in writing his intention to make such application qualifies as a veteran under the provisions of section 101.

SEC. 702. (a) Nothing in this act (other than the provisions of sec. 501) shall prevent

any person qualified under the provisions of any other homestead laws from (1) making entry, (2) making final proof, or (3) receiving a patent with respect to any public land made available for settlement by section 201 upon compliance with such other law.

(b) Any veteran who, pursuant to the provisions of some other homestead law, has made or shall make entry, or has received or shall receive a patent, with respect to land in any part of the Territory of Alaska in which public land is made available for settlement by section 201 shall, upon compliance with the provisions of this act, be entitled to make entry upon and, upon final proof, to receive patent to such additional public land in the vicinity of his original claim as will not, when added to the acreage of such original claim, exceed the relevant maximum acreage established in section 301.

SEC. 703. The first sentence of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out "incurred in service in line of duty, shall be eligible for the benefits of this title" and inserting in lieu thereof "incurred in service in line of duty, and any person who is a veteran within the definition contained in section 101 of the Alaska Veterans Homestead Act of 1949 and who has made homestead entry under the provisions of such Act, shall be eligible for the benefits of this title."

SEC. 704. In the disposal under the Surplus Property Act of 1944, as amended, of all (a) surplus property located in the Territory of Alaska and (b) surplus boats and other floating equipment located in the Seattle area, the disposal agencies shall grant preference over all other disposals under such act to veterans who have made entry under this act, upon presentation of satisfactory evidence that any such veteran, or group of veterans, purchasing any such property will use it in connection with his homestead or their homesteads or otherwise to assist in the settlement of the Territory of Alaska.

SEC. 705. In the event of the death of a veteran before patent is issued, his heirs or devisees shall succeed to the same rights that he would have had, had he lived. Acceptance of such rights shall constitute an agreement on the part of the heir or devisee to meet the obligations of the veteran with respect to the tract and shall render the heir or devisee liable to the same extent as the veteran.

SEC. 706. (a) There are hereby authorized to be appropriated to the Secretary of the Interior such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of the Interior under this act.

(b) There are hereby authorized to be appropriated to the Secretary of Agriculture such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of Agriculture under this act.

SEC. 707. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. PETERSON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following language: "That the national defense and the national interest requires the settlement and development of Alaska in order to make possible the full utilization of its resources and to further the national security by providing in the area a firm foundation of permanent residents. The national interest also requires that land be made available to veterans who

desire to undertake the development of virgin territory in order to secure land for themselves and their families and that such undertakings be encouraged to an extent commensurate with their value to the Nation. Because of the remoteness and climatic conditions of Alaska, settlement there involves greater expenses, financial risks, and physical hardships than does settlement in other parts of the United States. Large-scale settlement of the Territory requires a greater inducement to the pioneer settlement than exists at present. This act is designed to provide the necessary inducement in the form of enlarged homesteads, while making certain that there will be a minimum of Government interference in the development of the land. This act shall be cited as the 'Alaska Veterans' Homesteading Act of 1949': *Provided, however*, That the priority given to veterans under this act shall cease 1 year after the date of the designation for settlement of each area by the Secretary of the Interior, and all native born and naturalized citizens of the United States may then file on and acquire a homestead under the provisions of this act.

"TITLE I—DEFINITIONS

"SEC. 101. As used in this act, the term 'veteran' means any person who served in the armed forces of the United States during any war between the United States and any other nation, and who has been discharged or released therefrom under any conditions other than dishonorable.

"TITLE II—AREA

"SEC. 201. (a) Except for public lands excluded under subsection (b), public lands in the following parts of Alaska shall be made available for entry or settlement by veterans, notwithstanding any provision of law or regulation to the contrary:

"(1) That part of the Territory of Alaska known as the Panhandle, lying south of latitude sixty degrees, thirty minutes north, and east of longitude one hundred and forty-one degrees west.

"(2) That part of continental Alaska lying south of latitude sixty-three degrees north, and east of longitude one hundred and fifty-four degrees west, and south of latitude sixty-two degrees north, and longitude one hundred and sixty-seven degrees thirty minutes west.

"(3) Such islands, not including Unalaska and Umnak, as lie within 200 miles offshore of the continental area designated in paragraph (2).

"(4) Areas on either side of the Alaska Highway for a distance of 30 miles.

"(5) Areas on either side of the Richardson Highway in south central Alaska, from latitude sixty-three degrees north to its junction with the Alaska Highway at the village of Big Delta, for a distance of 30 miles.

"(6) Areas on either side of the Alaska Railroad from latitude sixty-three degrees north to Fairbanks, Alaska, for a distance of 30 miles."

"(b) The following public lands in the Territory of Alaska are excluded from entry or settlement under this act:

"(1) National parks and monuments.

"(2) Military and naval reservations.

"(3) Town sites and lands withdrawn to protect the water supply of towns and cities.

"(4) Patented lands and lands located, entered, or settled under other public land laws.

"(5) Certain areas already designated in detail as reserves of spruce timber necessary for national defense.

"(6) Areas set apart for the support of an agricultural and mechanical college (U. S. C., 1940 edition, title 48, secs. 353, 354, and 354a).

"(7) The Annette Island reservation for Metlakatla Indians.

"(8) Lands embraced in an existing valid coal, oil, or gas lease, or in a valid timber

sale contract, or areas set aside as mineral reservations because of known mineral deposits.

"(9) Administrative sites.

"(10) Airfields.

"(11) Cemeteries and land reserved for cemeteries.

"(12) Areas classified in aid of legislation.

"(13) Lands reserved for the Veterans' Administration, the Coast and Geodetic Survey, the Bureau of Customs, the Public Health Service, and the Alaska Roads Commission.

"(14) Lands reserved for the support of common schools.

"(15) Lands reserved for flood and fire control, and for lighthouse, dock, and power purposes.

"(16) Reservations for fish and wildlife preservation.

"(17) Native reservations and such lands as may hereafter be set aside for the use and benefit of Alaskan Indians or Eskimos.

"(18) Lands set aside for springs, water supply, and water-supply protection.

"(19) Lands whose title is controlled and protected by title V.

"(20) Lands withdrawn for the use of the Alaskan Railroad.

"TITLE III—HOMESTEAD PROVISIONS

"SEC. 301. (a) That there is hereby created the Veterans' Alaska Homestead Claim, which shall be not less than 320 acres: *Provided*, That no claim shall contain more than 160 acres of arable agricultural land, which need not be contiguous with the rest of the claim, and the claim may be of any size up to and including 2,560 acres; such size and shape being determined by the Secretary of the Interior, taking into account the type of land, location, and various uses therefor in order that the claim shall be an adequate family-type agricultural, mixed agricultural, fur farming, grazing, or timber unit sufficient to support a family of seven on an American level of living: *Provided, however*, That if such claim is timberland that not more than one-tenth of such timber shall be cleared, and that the remainder be maintained on a sustained-yield basis.

"(b) Such homestead claims, for the convenience of the veteran, shall be classified and designated as agricultural, fur farming, grazing, timber, or mixed agricultural, fur farming, grazing, and timber, and may be located on islands, as well as on the mainland. Each such homestead shall be of a potentiality, or a composite potentiality, to support a family on such a level.

"(c) Veterans' Alaska Homestead Claims shall be available to all veterans, as defined in section 101, or, after the expiration of the veterans' preference period, to all citizens.

"SEC. 302. Applications to enter or settle on designated lands, shall be filed in accordance with rules and regulations prescribed by the Secretary of the Interior.

"SEC. 303. (a) To make final proof of claim, a veteran must have actually resided upon the land or at a permanent year-round residence within 10 miles of such land for 3 years: *Provided*, That each day of active duty in the armed forces served by a veteran shall, up to and including 2 years, be accepted in full satisfaction of the residence requirement for such 2 years: *Provided further*, That the Secretary may grant leaves of absence not exceeding 5 months in any one calendar year upon an acceptable showing of the necessity for such absence. Any veteran otherwise eligible, who shall have been discharged on account of wounds received or disability incurred in the line of duty, shall be credited with 2 years' constructive service for purposes of this subsection.

"(b) To make final proof a veteran must, within 5 years from date of entry, satisfy the Secretary of the Interior, or his duly authorized agents, that the following conditions have been met:

"(1) That such claim has a habitable dwelling suitable for year-round occupancy.

"(2) That the veteran is and has been living upon the land, pursuant to the terms of this act, and holds same for his own beneficial interest.

"(3) That he is deriving some part of his income, or an amount equivalent to some part of an income necessary to live on such land, from the claim.

"(4) A veteran may, as an alternative, also make final proof if he satisfies the Secretary of the Interior, or his duly authorized agents, that a reasonable program for use and occupancy of the homestead claim, as previously agreed upon by the applicant and a representative of the Secretary at the time the application for the claim is approved, has been complied with:

Provided, however, That final proof shall be made within 5 years from the date of entry.

"SEC. 304. (a) Upon final proof of claim by a veteran, the Secretary of the Interior shall, on behalf of the United States, issue a patent to the land comprising such claim. Such patent shall be issued under the following express conditions:

"(1) That during a 5-year period, which begins with the date on which the patent is issued, no part of the land covered by such patent shall be alienated except by devise, descent, tax sale, or transfer authorized under section 2288 of the Revised Statutes, as amended (U. S. C., 1940 ed., title 43, sec. 174); or to satisfy the requirements of a bona fide loan.

"(2) That during such 5-year period no part of the land covered by such patent shall be leased, except in the following instances:

"(A) To a person qualified to a claim under this act.

"(B) To a person, as tenant, who shall live on the land for the bona fide purposes of making a livelihood from such land.

"(C) To anyone, where there is express consent by the Secretary of the Interior, it being the intent of Congress that any lease so approved will be for the further development of the resources and to encourage settlement.

"(3) That the present forestry practices or the future forestry practices of the Department of Agriculture, requiring that all timberland be maintained on a sustained-yield basis, shall be continued in perpetuity: *Provided, however*, That the Secretary of the Interior may, in his discretion, except a portion of the patented land from the sustained-yield perpetuity clause, when in his judgment such action will not endanger the Alaskan forests.

"(4) Upon judicial determination that any of the conditions of subsection (3) has been broken, the United States shall have the right to reenter that part of the claim with respect to which the condition was broken.

"SEC. 305. Nothing in this act shall be held to restrict the right of the United States to exercise eminent domain over any claims however fully perfected.

"TITLE IV—ADMINISTRATIVE PROVISIONS

"SEC. 401. (a) The Secretary of the Interior is authorized and directed to cause to be made comprehensive surveys and studies and to designate lands available for the veterans' homesteads described in section 201 of this act: *Provided, however*, That nothing in this subsection (401a) shall prevent a veteran from squatting and entering upon land available for settlement under the provisions of this act, prior to the designation and public surveys of such lands by the Secretary of the Interior. The Secretary of the Interior shall advertise such designations.

"(b) Lands in the following areas shall be among the first to be surveyed and made available for veteran settlement in the order to be determined by the Secretary of the

Interior: (1) the Portland Canal-Cape Fox-Duke Island area; (2) the Kenai Peninsula; (3) the area along the Alaska highway; (4) the Cholmondeley Sound, Molra Sound, and Kasaan areas of Prince of Wales Island; (5) Kodiak Island; (6) the area along the Richardson Highway; (7) the Cleveland Peninsula; (8) the area along the Alaska Railroad; (9) the area in the vicinity of Lisianski Inlet; (10) Afognak Island; (11) the Craig area of Prince of Wales Island; (12) the area in the vicinity of Prince William Sound; (13) Etolin Island; (14) the area in the vicinity of Tenakee Inlet and Peril Strait; (15) the Alaska Peninsula east of longitude one hundred and fifty-eight degrees west; (16) such areas along the lower reaches of the Tanana River as may be recommended by the Bureau of Land Management of the Department of the Interior; and (17) that part of Prince of Wales Island lying south of the West Arm of Cholmondeley Sound and the road connecting the West Arm of Cholmondeley Sound with the Head of Hetta Inlet: *Provided, however*, That this shall not be deemed an exclusive list of areas to be opened for homestead entry.

"(c) The normal practice of limiting entry to claims in rectangular shape shall be followed where practicable, except that whenever in the discretion of the Secretary of the Interior it becomes advisable to depart from this procedure in the interest of giving the veteran's claim access to water for transportation, agricultural, domestic, or other purposes, or because of the configuration of the terrain, the boundary and form of claims under this act may be adjusted for the individual veteran to provide such access to water.

"SEC. 402. (a) The Secretary of the Interior is authorized to provide necessary personnel and prescribe rules and regulations to carry this act into effect, it being the intent of Congress to develop and maintain the natural resources, encourage land settlement in Alaska, and discourage speculation in public lands and corporation ownership.

"(b) The Secretary of the Interior is authorized and directed to furnish to qualified veterans, at cost, copies of the results of the surveys made.

"TITLE V—REGISTRY OF TITLE

"SEC. 501. Nothing in this act shall be held to authorize the making of an entry by any person upon land (a) listed by the Bureau of Land Management as in occupancy under this or some other homestead provision of law; (b) listed by the appropriate United States commissioner as occupied, pending ripening of title; and (c) listed as owned and registered under the provisions of an act of the legislature of the Territory of Alaska entitled 'An act to require declaration of the ownership of land, to impose a penalty for noncompliance, and to dispose of the proceeds of such penalties,' approved March 24, 1945.

"TITLE VI—AIDS TO SETTLEMENT

"SEC. 601. Upon application by any veteran who has made homestead entry under the provisions of this act, the Reconstruction Finance Corporation may make to such veteran such a loan or loans as will be guaranteed under the provisions of title III of the Servicemen's Readjustment Act of 1944, as amended.

"SEC. 602. Notwithstanding the requirement of title III of the Servicemen's Readjustment Act of 1944, as amended, that certain real-estate loans be secured by a first lien on the realty, such requirement shall be satisfied in the case of any loan made pursuant to section 601 in respect of land on which entry has been made pursuant to the provisions of this act if the loan is secured by a lien on the improvements on such land and by a lien on the personality of the veteran to the extent legal and practicable.

"SEC. 603. The Secretary of the Interior, upon application by an entryman under this act or an entryman or settler on public lands in Alaska under other provisions of law, or by an eligible group engaged in the development of a settlement area under this act, may provide assistance for the purpose of developing public lands in Alaska, exclusive of lands classified for farming or other agricultural purposes, under such terms and conditions as he may prescribe. Such assistance may include land clearing and grading, the preparation and erection of dwellings, buildings, and other structures, and the building of roads, docks, wharves, and other public facilities. The Secretary shall charge the applicants for such assistance at its actual cost, and shall require each applicant to enter into a contract for the repayment of such cost in not to exceed 40 annual amortized installments with interest at 2 percent per annum. Until paid, such charges shall be secured by a mortgage against the land and improvements in connection with which the assistance was given and by such other security as the Secretary in his discretion may determine.

"SEC. 604. (a) The Secretary of Agriculture may make loans to entrymen under this act, or to entrymen or settlers on public lands in Alaska under other provisions of law, for the purposes of clearing and developing such lands for agricultural purposes and for the construction, repair, or improvement of farm buildings. Such loans shall be payable within not to exceed 40 years in amortized installments with due consideration for the period of time required for farm development, and shall bear interest at the rate of 2 percent per annum. Each loan shall be secured by a mortgage against the land and the improvements and by a covenant that the land will be operated as a farm with such conservation practices as the Secretary of Agriculture may prescribe, and shall be made on such other terms and conditions as may be necessary for the security of the loan. Loans under this section shall not exceed the reasonable value of the farm based on its earning capacity as established by a competent appraisal.

"(b) The Secretary of Agriculture may clear and prepare land on behalf of borrowers and include the cost thereof in the loan for the development or improvement of the farm.

"(c) The Secretary of Agriculture may also make loans to individual farmers and stockmen in Alaska for the purchase of livestock, feed, fertilizer, farm equipment and supplies, and other farm needs, and for the refinancing of indebtedness and family subsistence.

"(d) The provisions in sections 41, 42, 44, 45, 46, 48, 49, 50, 51, 52, 53, and 54 of the Bankhead-Jones Farm Tenant Act, as amended, to the extent that such provisions are not inconsistent with this section, shall be applicable with respect to the loans made pursuant to this section.

"SEC. 605. For the purpose of promoting the settlement and development of Alaska, the Reconstruction Finance Corporation is authorized to make special loans to any business enterprise for use in developing the settlement areas. No special loan may be made unless the financial assistance applied for is not otherwise available on reasonable terms. All special loans shall be so secured as reasonably to assure repayment, and shall be made upon such terms and conditions and with such maturities, not in excess of 30 years, as the Corporation deems appropriate to carry out the purposes of this act and to protect the interests of the United States. The aggregate amount of loans and commitments made pursuant to this section shall not exceed \$7,500,000 outstanding at any one time.

"SEC. 606. Any entry or settlement with respect to which a mortgage is taken pursuant to this title shall, prior to the issuance

of patent by the Secretary of the Interior, be subject to cancellation, at the request of the holder of the lien, whenever default occurs in the terms, conditions, covenants, or obligations contained in the mortgage, or as otherwise provided by law. After cancellation or relinquishment of an entry or settlement on which there is a mortgage lien pursuant to the provisions of this act, the land shall become open for entry under this act or for disposition under other applicable provisions of the public-land laws to a person approved by the holder of the lien, and subject to the indebtedness to the holder of the lien. If within 1 year after such cancellation or relinquishment no satisfactory application for entry or other proper disposition has been received, the Secretary of the Interior may sell the land to satisfy such indebtedness, upon terms and conditions prescribed by him with the approval of the holder of the lien, and the proceeds therefrom shall be remitted to the holder of the lien.

"SEC. 607. (a) The Secretary of the Interior is authorized to build roads and docks in order to facilitate transportation to and within settlement areas, to clear and grade nonagricultural lands within these areas in order to prepare them for settlement, and to provide such technical, advisory, and other nonagricultural services to entrymen and settlers, and to other Federal or Territorial agencies, as he deems proper to insure sound settlement and development in Alaska. Expenditures made under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby.

"(b) The Secretary of Agriculture is authorized, upon the subdivision of public lands into farm units under this act, to clear and prepare such land within each unit as may be necessary for the farmstead site and for private farm roads, together with such additional land for tillage, not in excess of 5 acres per unit, as may be necessary to meet immediate needs. Expenditures under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby, and shall not be included in the amount loaned pursuant to section 602.

"(c) For the purpose of facilitating the settlement and development of public lands in Alaska for farming and other agricultural purposes, the Secretary of Agriculture may provide assistance to entrymen and settlers under this act or other public-land laws, and to other Federal or Territorial agencies. Such assistance may include such technical, advisory, and other agricultural services as the Secretary of Agriculture deems proper to insure sound development and settlement in Alaska.

"(d) To insure the orderly and progressive establishment of a well-balanced and integrated system of highways to aid in sound settlement and development as contemplated by this act, the Public Roads Administration, Federal Works Agency, in cooperation with the Secretary of the Interior and the Secretary of Agriculture, and with other Federal or Territorial agencies, shall make a study of the existing road facilities and changes therein and additions thereto that may be deemed necessary to meet the present and future needs of the areas to be developed, including land use and its relations to roads, schools, other community facilities, markets, rail, water, and other means of transportation, protection of forest against fires, water utilization, health, flood control, and financial ability to meet the cost of construction and maintenance.

"SEC. 608. The Secretary of the Interior is authorized to contract, in such manner and upon such terms and conditions, as he deems appropriate, with Government agencies and with common, contract, or private carriers by sea, land, or air, on behalf of

applicants for, entrymen of, and other actual or potential settlers of, public lands in Alaska, and of eligible groups under this act, for the purpose of promoting the development and settlement of Alaska by providing efficient and economical transportation of such applicants, entrymen, and settlers, and of the members of such eligible groups, together with their dependents and their goods and chattels to, from, and within Alaska.

"SEC. 609. (a) Any department or agency in whom functions are vested by this act may contract with any department, agency, or instrumentality of the Federal Government, or of the Territory of Alaska, for the provision of any of the services or facilities authorized in this act and shall utilize, to the extent practicable, the available services and facilities of other departments, agencies, and instrumentalities of the Government.

"(b) Property which is excess or surplus to the needs of any department, agency, or instrumentality of the Federal Government, which is situated in Alaska, and which is suitable for carrying out the provisions of this act in connection with the development and settlement of Alaska, shall be transferred to any department or agency exercising authority under this act, upon its request, without reimbursement or transfer of funds. Any such department or agency is authorized to transport, recondition, modify, and store such property, and to use it in carrying out its functions under this act or to dispose of it to settlers and groups of settlers under this act, for their own use, at equitable prices and under terms and conditions to be set by such department or agency.

"TITLE VII—MISCELLANEOUS

"SEC. 701. The Administrator of Veterans' Affairs shall, upon the request of the Secretary of the Interior, inform such Secretary whether or not any person who has made application for a claim or has stated in writing his intention to make such application qualifies as a veteran under the provisions of section 101.

"SEC. 702. (a) Nothing in this act (other than the provisions of section 501) shall prevent any person qualified under the provisions of any other law from squatting on, or acquiring rights, by locations, settlement, or entry, with respect to any public land described in section 201 in accordance with such other laws, prior to its designation as a settlement area hereunder by the Secretary of the Interior: *Provided, however*, That where a valid homestead settlement or entry has been made on land subsequently included in a designated area, the settler or entryman may elect to come under title III of this act whereupon his claim shall be conformed to a veteran's Alaska homestead claim of such size and shape as may be prescribed by the Secretary of the Interior in accordance with title III, and the claim shall be perfected in accordance with said title.

"(b) Any veteran who, pursuant to the provisions of some other homestead law, has made or shall make entry, or has received or shall receive a patent, with respect to land in any part of the Territory of Alaska in which public land is made available for settlement by section 201 shall, upon compliance with the provisions of this act, be entitled to make entry upon and, upon final proof, to receive patent to, such additional public land in the vicinity of his original claim as will not, when added to the acreage of such original claim, exceed the relevant maximum acreage established in section 301.

"SEC. 703. The first sentence of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out 'incurred in service in line of duty, shall be eligible for the benefits of this title' and

inserting in lieu thereof 'incurred in service in line of duty, and any person who is a veteran within the definition contained in section 101 of the Alaska Veterans Homestead Act of 1949 and who has made homestead entry under the provisions of such act, shall be eligible for the benefits of this title.'

"Sec. 704. In the disposal under the Surplus Property Act of 1944, as amended, of all (a) surplus property located in the Territory of Alaska and (b) surplus boats and other floating equipment located in the Seattle area, the disposal agencies shall grant preference over all other disposals under such act to veterans who have made entry under this act, upon presentation of satisfactory evidence that any such veteran, or group of veterans, purchasing any such property will use it in connection with his homestead or their homesteads, or otherwise to assist in the settlement of the Territory of Alaska.

"Sec. 705. (a) In the event of the death of a veteran before patent is issued, his heirs or devisees shall succeed to the same rights that he would have had, had he lived. Acceptance of such rights shall constitute an agreement on the part of the heir or devisee to meet the obligations of the veteran with respect to the tract and shall render the heir or devisee liable to the same extent as the veteran.

"(b) In meritorious cases the Secretary of the Interior may permit the entryman under this act or his heirs or devisees to sell his unpatented tract under such conditions as the Secretary may prescribe. If at the time of the contemplated sale such tract is covered by a lien arising under this or any other act, the consent of the holder of the lien to such sale shall be required.

"Sec. 706. (a) There are hereby authorized to be appropriated to the Secretary of the Interior such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of the Interior under this act.

"(b) There are hereby authorized to be appropriated to the Secretary of Agriculture such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of Agriculture under this act.

"Sec. 707. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby."

The committee amendment was agreed to.

Mr. PETERSON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PETERSON. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. FORD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. FORD. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FORD moves to recommit the bill H. R. 4424 to the Committee on Public Lands.

Mr. PETERSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISPENSING WITH FURTHER CALENDAR WEDNESDAY BUSINESS

Mr. WHITTINGTON. Mr. Speaker, I move that further proceedings under the call of committees on Calendar Wednesday be dispensed with.

The motion was agreed to.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 173]

Abbitt	Dawson	Howell
Allen, Calif.	Deane	Huber
Anderson, Calif.	DeGraffenried	Jackson, Calif.
Andrews	Dingell	Jacobs
Battle	Dolliver	Johnson
Bentsen	Dondero	Jones, N. C.
Boggs, La.	Douglas	Keefe
Bonner	Doyle	Kerr
Boykin	Durham	Larcade
Bramblett	Engel, Mich.	LeCompte
Breen	Engle, Calif.	Lodge
Brooks	Fernandez	McConnell
Buckley, N. Y.	Gary	McDonough
Bulwinkle	Gilmer	McKinnon
Burdick	Hand	McMillen, Ill.
Cannon	Hare	Madden
Carlyle	Harris	Magee
Case, S. Dak.	Hart	Mahon
Chatham	Hays, Ohio	Martin, Iowa
Cox	Hébert	Miles
Crawford	Heiter	Miller, Calif.
Davis, Tenn.	Hollfield	Monroney

Morrison	Sadlak	Stockman
Morton	Sadowski	Sutton
Nixon	St. George	Trimble
O'Neill	Saylor	Velde
Pace	Scott	Welch
Patman	Hugh D., Jr.	Werdel
Fickett	Scudder	Wheeler
Plumley	Secrest	Whitaker
Poulson	Shelley	White, Calif.
Quinn	Sheppard	Wickersham
Rains	Smathers	Willis
Redden	Smith, Ohio	Wolverton
Rich	Staggers	Wood
Rivers	Stigler	

The SPEAKER pro tempore. On this roll call, 326 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TEMPORARY APPROPRIATIONS FOR FISCAL YEAR 1950

Mr. THOMAS submitted the following conference report and statement on the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2123)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows:

In line 9 of the amendment of the Senate, before the colon, insert the following: "; except that this proviso shall not apply to appropriations included in such bill (H. R. 8567) for 'Fighting forest fires', Department of Agriculture, and 'Office of the Housing Expediter' but no funds may be used to pay compensation of any employee in a grade higher than the grade of such employee on May 22, 1950, and no funds herein shall be used to pay the officers or employees of the Office of Housing Expediter for periods after June 30, 1950"; and the Senate agree to the same.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH.

Managers on the Part of the House.

KENNETH McKELLAR,
CARL HAYDEN,
STYLES BRIDGES,
HOMER FERGUSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendment, namely:

The House concurs in the amendment of the Senate with an amendment which provides that funds shall be available for pay of compensation of the Office of the Housing Expediter and the Forest Service. None of the funds may be used, however, for pay of employees in grades higher than the grades

of such employees on May 22, 1950, and none of the funds may be used for compensation of employees for periods after June 30, 1950.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,

Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on House Joint Resolution 476.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. TABER. Mr. Speaker, reserving the right to object, the Senate amendment, as improved by the conference report, simply creates certain restrictions on the operation of these funds; is that correct?

Mr. THOMAS. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SELECTIVE SERVICE EXTENSION ACT OF 1950

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 597 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6826) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and I now yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the immediate consideration of a bill to extend the Selective Service Act of 1948. It is a sad experience of my life, Mr. Speaker, that 5½ years after my service in World War II it is my lot to call up before this House a measure dealing with the possibility of a future war, for when I left Europe to take my seat among you gentlemen, I shared the faith, the hope, and the confidence of all good Americans and all good people everywhere that the end of World War II would see peace for the world and freedom from the threat and horrors of aggression. Unfortunately that is not true. Forces of evil and aggression, well armed, ruthlessly control a large portion of the world and threaten the balance. It seems that it has ever been so. While my memory goes back only a little over 30 years, during that time the world seems to have been getting into a war, engaged in a war, or getting out and recovering from a war. It is a sad commentary on human beings that there are millions of young people in the world who have no memory other than that of crises, war and destruction.

The unfortunate truth is, Mr. Speaker, that we must conclude that today we cannot live in this world without the machinery of destruction, that we cannot live in this world without the power of destroying those who would destroy us. I have looked forward each year, anxiously, hopefully, and prayerfully to the time when I could, as a United States Representative, join with you in devoting our minds to the development of the great opportunities that are ours in a peaceful world, to the development of the wealth and power in our country for the forces of good and for peace throughout the world. I have longed for the time when we could spend for hospitalization and roads and education, and for the development of our great natural resources, the billions of dollars that we now spend for destruction and the power to destroy, and for the renovation of that which we have already destroyed.

It is not the fault of this body or of this Government or of this country that we are not in a position today to devote all of our energies and thoughts to peace. It is not the fault of this body or this country that millions of people today suffer under the yoke of dictatorships, or the heel of foreign armies, for we have, to the everlasting credit of our Government and our citizens, contributed fully of our wealth and our blood and our minds to establishment of a free and decent world. We do not at this time covet the land or the property of any government upon the face of the earth, but on the other hand, have contributed billions for their rehabilitation. No country need fear aggression on our part, militarily or economically, but today I think it is most important for the world to know that idealistic as we may be, free as we may be with our money, patient and lenient as we may be in our attitude toward aggressive powers, there is a limit to which we may be pushed, and a limit to which Russia or any other power may move against us and our allies, even in a cold war. I think the world ought to

know that ruthless and aggressive dictators, powerful as they may be, have pushed and shoved the American people as far as we intend to go and that we shall not and will not in the future stand idly by and see any power continue to run over the decent, helpless people of the world; no, not even if Americans must die again to preserve the things that are dear to us.

Dormant as this Selective Service Act may be under the terms of this bill, Mr. Speaker, it is unmistakable notice to the world that we remain true to the principles of freedom, of decency, and human dignity, and that we will continue to fight for those things we believe are right.

Let the forces of evil and aggression throughout the world know that as much as we despise war, as much as we detest war, we remain able to meet them on the field of battle again and again, if it is necessary to defend those things we cherish, love, and hold dear.

Therefore, Mr. Speaker, it seems highly appropriate that today we consider extension of the Selective Service Act, for we do not know what may be in the minds of those who oppose democracy, the American way of life, freedom, and human dignity throughout the world. We cannot know whether war is inevitable, imminent, or generations away, but we can and do know that we cannot live without the power to destroy those who might attack us. This act is but a weapon to preserve the things that are dear to us, the principles for which we have paid with blood and money and sacrifice throughout the years.

If there is objection to this measure, Mr. Speaker, it is that it is not active and strong enough to fully meet the conditions of the troubled world today. If there is objection, it is that it does not afford the young men of America sufficient opportunity to prepare themselves for the ordeals of American citizenship during the coming years. If there is objection, Mr. Speaker, it must be that in our enthusiasm for living in peace, we fail to sufficiently prepare ourselves to live in war.

The great opportunists that have been ours as American citizens have been given us by those great Americans who have preceded us, men and women who have had the courage to live and die for freedom. Distasteful as it may be, we owe those who follow us no less.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I have always opposed the peacetime draft, but this is not a draft but merely a registration. But what do we find today? We find the high generals and admirals in secret session of the Committee on Armed Services telling us that we are in the midst of a cold war that might become a shooting war immediately. We find the membership of the Committee on Armed Services coming in with the unanimous report favoring this peacetime registration bill. We find General Bradley saying:

It is not enough that we plan only to win wars after they start—

I believe he said this in committee session to the members of the Committee on Armed Services—

but we must prevent them before they begin, if the result of our plans are to be more than palliatives for diseases already contracted.

I understand General Bradley also said that in committee session:

In conclusion, may I point out again that the international situation has not improved in the last 8 months. We have an opportunity here to buy ourselves from 4 to 6 months of essential time. This security bargain is only offered for sale once. Let us not pass it up.

Mr. Speaker, like many other Members here, at the beginning of World War I I was in high school. Those of us who are about 50 years of age have never seen anything in this country except wars and emergencies. In 1917 there was the First World War. Then during the twenties, with the exception of a few years, we had recessions and so forth. Then came the 1929 depression. After that we got into World War II. After we got through that, immediately we start in on this cold war. So I say to you Members here today that those of us who have always opposed peacetime drafts, after listening and reading the testimony of our high armed services officials, find ourselves in considerable embarrassment. However, I would say while my good friend, the gentleman from Texas [Mr. LYLE] says that it is not strong enough, I think it is amply strong. It provides, and I would like to have the chairman of the Committee on Armed Services correct me if I am wrong, as I say, it merely requires those 18 years of age to register, and does not draft anyone—is that true, Mr. Chairman?

Mr. VINSON. The gentleman is correct.

Mr. ALLEN of Illinois. As I understand the bill, it also requires a concurrent resolution by the Congress before anyone can be inducted into the service. Is that correct, Mr. Chairman?

Mr. VINSON. It provides that Congress must find that a national emergency exists and pass a concurrent resolution to that effect before anyone can be inducted in the armed services.

Mr. ALLEN of Illinois. And it does not permit the President of the United States to call into active service the reserve components or the National Guard, is that true?

Mr. VINSON. Whenever the Congress passes a concurrent resolution stating that a national emergency exists, the bill authorizes the President to order in the reserves and the National Guard for 21 months. If that were not contained in this bill, a specific law would have to be passed dealing with that.

Mr. ALLEN of Illinois. And it does not permit the President or anyone else to take over the industries of the country until legislation providing for that is acted on by the Congress.

Mr. VINSON. The gentleman has studied the bill as well as the members of the Committee on Armed Services and is accurate in all the questions he has asked.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. LYLE. A moment ago I said if there was objection to the bill it was that it was not strong enough. I did not object to it.

Mr. ALLEN of Illinois. I stand corrected, then.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MILLER of Nebraska. The bill presently being considered is H. R. 6826. I notice it reads, "To extend the Selective Service Act of 1948 for a period of 3 years, and for other purposes"; I presume there may be some amendments to the bill and perhaps to the title of the bill. But would the chairman of the Committee on Armed Services, when he has time on the bill, answer a few questions, because I know the country is confused because at the beginning of this session, if my memory serves me correctly, the chairman of the Committee on Armed Services announced that there would be no extension of the Selective Service Act. This committee was very much against it. Not too long ago the Commander in Chief of the Armed Forces, Mr. Truman, President of the United States, came back from Florida and announced that things were better in the international picture than at any time since 1946. Almost on the same day, from testimony from the Secretary of War, Mr. Johnson, and General Bradley, before the committee, the Armed Services Committee reversed the field and runs the other way and, under the leadership of the chairman, reports out a selective service bill unanimously.

Then, I recall that the Secretary of Defense, Louis Johnson, said within the last few months that if Joe Stalin started a war at 4 a. m. we would make hell out of it by 5 a. m. At the same time, Stuart Symington the then Secretary of Air announced that we were not prepared, that we did not have the planes, and the cities were unprotected, giving the country the feeling that war might break out. General Bradley, if my memory serves me correctly, said that we might blunder ourselves into war any day. Now if the President was right his advisers are wrong—if his advisers are right the President is wrong.

These things are all very conflicting and I hope the gentleman from Georgia, chairman of the Armed Services Committee, will make a few comments about them. I have never known him to carry water on both shoulders and reverse the field before, because in the early sessions of this Congress he said there would not be any extension of the draft, and now today he brings in a bill. If the gentleman can tell the Members of Congress anything about this secret testimony in executive session—possibly he cannot, I do not know, perhaps the Commander in Chief of the Armed Forces finds his organization falling apart at the seams—I do not know. At least, they do not get their advice from the same source. That is what I said to my folks

in Nebraska. They say to me, "Who is right, the President of the United States or General Bradley?" I said, "I do not know. I do not think they get their information from the same source." I hope the chairman of this committee will tell us why he reverses the field and why he brings out this bill when he said he would not bring it out, and tell the Members of Congress who is right. The gentleman can do that in his own time.

Mr. VINSON. Will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. VINSON. I would like to advise the House that the answer the gentleman gave his constituents as to which one to follow on military matters, whether the President of the United States or General Bradley, I am inclined to think the gentleman recommended General Bradley.

Mr. MILLER of Nebraska. You know, my people out there in Nebraska are divided. When the President went on his nonpolitical tour, he spoke three times in my district. On these occasions he told them everything was fine; that there was not going to be any war. In other recent speeches he made, he was concerned about the cold war and what might happen. I just do not know who to believe. He talks out of one side of his mouth at one time and out of the other side at another time. Of course, you can reverse the field and run the other way in America, but I hope the gentleman will give the Members of Congress a little light on that subject.

Mr. ALLEN of Illinois. I would like to make one more observation, and that is with reference to the efficiency of this proposition. The report says that even though you are just going to register 18-year-old boys, that there are 37,000 uncompensated citizens in this group, which means, of course, they will have their expenses paid, and perhaps a per diem when they work. It is also said that they have 3,000 rental units to just take these names, and a few remarks about these boys. It also provides for full pay with expenses, automobiles and so forth, for 3,600, just to take down the names of these boys and say a few things to them. I think that the Appropriations Committee, when they come to granting appropriations for these expenses, certainly could cut down, because 3,600 is far too many to just take down the names of these boys, along with a few questions. So I draw that to the attention of the chairman of the Armed Services Committee as well as of the Appropriations Committee, to cut down some of these thousands of offices throughout the country which put on additional pay-rollers with no work, or very little work to do.

In conclusion, Mr. Speaker, I say that inasmuch as this requires further action by the Congress in order to induct individuals into the National Guard or Reserve components, I am going to support this bill, and I feel certain that the able chairman of the committee when we get to the bill itself will be able reasonably to answer any questions asked of him.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MARCANTONIO. I wonder if anybody could throw any light on the coincidence of the announcement of support of this legislation coming from the committee simultaneously with the announcement of the Secretary of Defense supporting the additional \$350,000,000 appropriation that the chairman of this committee has been seeking? I wonder if that is just a mere coincidence, or does it have a direct relationship.

Mr. VINSON. It is just a mere coincidence as far as I am concerned.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. LYLE. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I desire to take this 10 minutes under the rule so that I may state to the House the clear-cut issue of exactly what this bill does and what this bill does not do.

As to the question propounded by the distinguished gentleman from Nebraska [Mr. MILLER] when the House goes into the Committee of the Whole I shall be glad to discuss it.

So that the House can thoroughly understand what this bill does, let me state that it simply extends the act of 1948, known as the Selective Service Act, for 2 years. There is no doubt about what it does. But by the terms of the bill no one can be inducted into the services until the Congress, that is, the House and the Senate, by concurrent resolution declares that a state of national emergency exists. Let everyone understand exactly what the bill does; it extends the act of 1948 for 2 years. The act will expire 1 month from today if it is not extended. Then the bill stays the hand of the Selective Service System until Congress says that inductions can take place.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. LESINSKI. I understood the gentleman to say that this extended the act for 2 years; I thought it was 3.

Mr. VINSON. No; it is 2 years.

During the 2-year extension of this act the bill permits what? It permits only two things to take place: It permits and requires the registration of all youths who reach the age of 18, and it permits their classification; that is all this bill does. It does not do anything else; it merely retains these Selective Service organizations throughout the country and requires the boys as they become 18 years of age to go before the local draft boards and be registered, give their addresses, their names, and be classified by the local boards. No man in America can be inducted into the armed forces until a majority vote of the House and the Senate approves it.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for a question?

Mr. VINSON. I yield with pleasure.

Mr. MARCANTONIO. The gentleman is telling us what this bill does. I think he should also tell us whether or not this

bill protects any person who is inducted after the House or Senate declares an emergency, protects them against discrimination and segregation in the armed forces.

Mr. VINSON. Yes; it does that.

Mr. MARCANTONIO. How?

Mr. VINSON. One of the very first provisions of the bill we wrote 2 years ago provides that there shall be no discrimination.

Mr. MARCANTONIO. Will the gentleman yield further?

Mr. VINSON. If the gentleman will ask the clerk of the committee to give him section 5 (a) of the original act, he will see that it states there shall be no discrimination on account of race or color.

Mr. MARCANTONIO. But the gentleman will admit that there has been and still is certain discrimination.

Mr. VINSON. I cannot admit that at all because when that question comes up by amendment the House will be informed as to exactly what has taken place and I think it will meet with the overwhelming approval of the House.

Mr. Speaker, in view of the fact that this bill is mainly a registration and a classification matter, at the proper time I shall offer an amendment to change the bill's name and let it be known by what it actually does on a daily basis. It will be known by the amendment I shall offer as the Manpower Registration Act.

That amendment I have submitted to my distinguished colleague the gentleman from Missouri [Mr. SHORT], and he approves it. It was at his suggestion that I reached the decision, because registration and classification is all it does from day to day. It merely registers and classifies the youth of the country. So I will offer an amendment to the bill at the proper time; and if it meets the approval of the committee, the bill will be known as the Manpower Registration Act of 1950.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. JENSEN. Should this bill not be titled "The Military Manpower Act"?

Mr. VINSON. No.

Mr. JENSEN. Instead of just "Manpower Act." It takes in everybody. I would make that suggestion.

Mr. VINSON. I suggest to the gentleman that we have it in the right language and notwithstanding his concern I do not think his language would apply. Here is the weakness of the gentleman's argument: The bill says nobody can be registered except those between 18 and 26 years of age. Those are the only ones who can be registered.

Mr. JENSEN. It is a military bill and should be termed a military manpower act.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Does the bill call for registration of industrial manpower?

Mr. VINSON. No.

Mr. Speaker, I have explained what is going to happen under the bill. There are seven different things done by it. It extends the act for 2 years. It bars or prohibits any induction until the Congress has declared that a national emergency exists which requires an increase in our military strength. I think that is sound. In the old law it was left up to the President to put it in effect 90 days after the date of enactment of the act. In my opinion, it is up to the Congress to say when the youth of this land shall be brought into the services. It is our responsibility to provide and to maintain an Army and a Navy. We say here that when a national emergency arises then the Congress will cross the bridge at that time and if it requires inductions to increase our military strength we will vote on it. But remember this, there cannot be any draft just merely to recruit people for the Army. There can only be a draft to meet a national emergency, to increase our military strength.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I want to be perfectly fair. In my statement a few minutes ago I said that the Committee on Armed Services, referring to the gentleman, had said earlier in the session that there would be no draft.

Mr. VINSON. I will tell the gentleman about that later and how it is we had to change our views and why we think we are doing the right thing today. The gentleman will have a complete answer to that.

Now, third, the bill suspends the power of the President to seize plants essential to war until the Congress declares an emergency. Under the law today the President has that power. I say that when the President desires to take a big steel company or anything else, the Congress ought to have a voice in it; Congress ought to pass on it.

Now, what does the bill do affirmatively? Those are the things it prohibits. It keeps in operation the requirement that every male person in the United States between the age of 18 and 26 must register with his local board. It keeps in operation the requirement that the registrant be continually classified as available for military service. That is all it does. When a boy reaches 18 years of age he goes to his draft board; he registers and is classified. That is the end of it until you step in and exercise your right in providing for the defense of this country and say that youth must be inducted to defend his homeland.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Utah.

Mr. GRANGER. Can the gentleman tell us what is meant by "classification?"

Mr. VINSON. By classification is meant placing of the registrant in class 1, 2, 3, 4, or 5. If he is physically disabled, if he is a one-armed man, the board will immediately say, "We cannot use you; we will put you in this or that group."

Mr. Speaker, I hope this resolution will be adopted. We will explain and we

will endeavor to answer all of the questions asked by the gentleman from Nebraska [Mr. MILLER] in general debate.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I understand that we had a quorum call so that any roll call on this matter would be avoided and nobody would have to go on record. Under the procedure adopted, our constituents will be unable to learn just how you voted. That is a natural enough desire. A long time ago it was said that where there was a will there was a way.

We as a nation have prided ourselves as a nation upon the thought, the expression, that we were a peace-loving Nation, yet the gentleman from Texas [Mr. LYLE] expresses either bewilderment, confusion, or I do not know just what it was, when he called attention to the fact that it seemed that we were either just getting into a war, fighting a war, or getting out of a war.

To me that seems a strange situation for a Nation that is really a peace-loving Nation. It is difficult to understand how we get that way—follow that course.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Texas.

Mr. LYLE. Does the gentleman know that during the last 1,500 years there have been more than 500 major wars fought?

Mr. HOFFMAN of Michigan. And that Britain has been at war during almost half of her so-called civilization and that as a result of her policy she has lost her position as a world power and for existence is now dependent upon our aid. Britain's proud boast that the sun never sets on the British flag is a thing of the past.

Mr. LYLE. That civilization has spent half of its time fighting, so it is not necessarily America. That has been the very nature of mankind continually.

Mr. HOFFMAN of Michigan. During the past hundred years Switzerland has not been at war. Portugal, right over there where the war was going on, did not get into either war, did she? Luxembourg did not have any war, did she? Oh, there are plenty of nations that did not take part in the last two World Wars. What is the matter with us; with our foreign policy; with those who administer our Government?

The methods and the procedures we are following here today, as those who were here prior to the First World War and during that war, will recall, are exactly those which we then followed, which did not keep us out of World War II. Very vividly do I recall a statement made from the well of this House that we must extend aid to Britain until we could get ready; all aid short of war.

And I recall that after the war was over we learned that even prior to the time we got into the war, publicly at least, we were actually in and were taking part in a fighting war through our ships on the sea. That is to say, those who then all the time told us to do this, that, or other, to make this or that appropriation, to follow this or that

method, while they were telling us that those methods and that procedure would avoid war, and were keeping us out of war, had actually committed us to World War II.

So it is that today some of us believe that we are already committed to world war III—a strange, strange situation for a Nation which claims to love peace—to hate war—which considers itself the most powerful Nation in all the world.

The chairman of the committee told me a few moments ago, and you heard him, that this was not a bill to draft industrial labor.

Mr. VINSON. I will tell the gentleman the reason why I said that. It is because there has not been submitted to the Congress a complete mobilization plan. I think one should be submitted and should be passed at this time dealing with capital, labor, and manpower, and be put on the shelf. That is what I am hopeful the distinguished Chairman of the War Resources Board, Mr. Symington, will have in the Congress at least by January.

Mr. HOFFMAN of Michigan. Yes, but with the political power the unions have, does the gentleman really think such a bill is coming down? Does he think it will be passed by the House? We have gone a long, long way in the unification bill toward a dictatorship—a regimentation of all civilian activities—in the procedure adopted by the Department of Defense to organize and draft industry and capital, but we have not yet said anything about drafting manpower generally.

It is strange indeed that when these wars come on they draft the young men, and now the young women of the country, I suppose, will soon be in it. We draft the young men to fight and die, and at the same time we permit an overwhelming majority of the manpower of this Nation to call strikes and to refuse to work for the production of the implements which would enable those who have been drafted to fight on foreign soil, to have the weapons they need—to fight successfully.

As I recall the statement of Acting Secretary of the Navy Edison, in Detroit in 1939, I think it was, for 42 days the CIO tied up the production of engines needed by the Navy. They even refused for approximately that same length of time to let the Federal Government take from the factories the patterns and the materials the Navy had there. That is all a matter of record. Attached hereto is a copy of questions submitted to him, and his answers.

Yet you come along here with a bill which is the first step to take the farm boys, the clerks, the young independent businessmen, the white-collar workers, take them out of this country and compel them to fight abroad, perhaps under foreign officers, and you leave here at home a group belonging to an organization which has almost unlimited political power.

A plan, I understand, was recommended to place the operation of the selective-service law where? In the Labor Department, a Department created and charged by law with the duty of advancing and promoting the interests of the

man who works. Are we to have one group to fight, another group to stay at home and make a large profit, reasonably, by comparison, large wages, compensation for the service they render, and at the same time to obstruct and hinder the efforts of those who are fighting our battles abroad?

What this country needs is a riddance of those who have failed so miserably in the past. It would be unfair, uncharitable for us to say that the administration which was in power when World War II came along got us into that war. That would not be right.

But we can at least in all fairness say this, that having the power of carrying on negotiations with foreign nations, they did not keep us out of war; did they? No; they did not. And the war having been fought and the war having been won, we assume, what happens?

They gave away to our present so-called, at least, potential enemy—they give away the liberty and the security of millions of people. They gave away the territory in China and Poland and, in fact, have given away practically everything that the war was fought to achieve. I recall the gentleman from New Jersey [Mr. EATON] talking so eloquently and so persuasively.

The SPEAKER pro tempore [Mr. PRIEST]. The time of the gentleman from Michigan has expired.

Mr. LYLE. Is the gentleman for or against this bill?

Mr. HOFFMAN of Michigan. Oh, do you not know? You know very well I am against it.

I am in favor of, and I will vote for, almost anything that the armed services request in the way of money to provide for our national defense.

I know that our people do not want war, although they never have failed and they will not now fail to fight courageously and determinedly if war must come.

We are in our present predicament because, as I have in the very brief time available attempted to point out, those who have been directing our foreign policy have failed to protect our interests, have failed to keep us out of war, to keep us out of a situation which now tends strongly toward war.

Mr. Hiss had much to do with determining our foreign policy. Mr. Hiss was convicted of perjury because he denied that he was a Communist or had dealings with the Communists. After his conviction Mr. Acheson publicly stated in substance that he would stand by Hiss.

To me it is folly to even think of drafting men for war, while letting a man like Acheson shape our foreign policy. Acheson was an important part of the team, as was Hiss, which, figuratively speaking, ran us into the ditch.

Why entrust the job of getting us out of the ditch to the man or to the group which failed to keep us out, which so steered our course that we got into it?

Unfortunately it is a fact that Mr. Acheson and the State Department lack the confidence of a large segment of our population. Some people believe Hiss favored the Communists, Russia, whom we are about to fight. That Acheson was and is his friend.

Many of our people are now uncertain as to whether those who were associated with and who approved of Hiss' policies would now sincerely represent us in any war with those who, it is charged, were favored by Hiss.

Mr. Speaker, the following are the questions to and the answers of the Navy Department to which previously reference was made:

[No. 253]

REQUESTING CERTAIN INFORMATION FROM THE SECRETARY OF THE NAVY ON CERTAIN MATTERS IN CONNECTION WITH A STRIKE OF EMPLOYEES IN THE PLANTS OF THE BOHN ALUMINUM CO. AT DETROIT, MICH. (H. RES. 314). MR. HOFFMAN

NAVY DEPARTMENT,
Washington, October 20, 1939.

The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The resolution (H. Res. 314) requesting information from the Secretary of the Navy on certain matters in connection with a strike of employees in the plants of the Bohn Aluminum Co. at Detroit, Mich., was referred to the Navy Department by your committee with request for report.

The questions in the resolution are set forth below, the answer to each appearing immediately thereafter:

(a) Whether the Navy Department did have a contract with said corporation?

At the time the said strike was called, the Navy Department did have a contract with the Bohn Aluminum & Brass Corp., of Detroit, Mich., for the manufacture of special bearings for aircraft engines. In addition, the corporation was also engaged in the manufacture of special bearings and castings for manufacturers with whom the Navy Department had contracts.

(b) Whether a strike which interfered, or would interfere, with the activities of the Navy Department occurred?

A strike actually occurred in the plants of the said corporation which did interfere with the activities of the Navy Department.

(c) How long such strike continued?

A strike was called at the corporation's plant No. 1, Detroit, Mich., on August 29, 1939. At the time the strike was called, plant No. 1 was engaged in the manufacture of special bearings for aircraft engines for manufacturers with whom the Navy has contracts. On September 15, 1939, a second strike was called at all of the 7 plants of the corporation in the Detroit district in sympathy with the strike at plant No. 1 (bearings). At the time of calling the second strike, plant No. 2 was engaged in the manufacture of castings for airplane engines in process of manufacture at the Naval Aircraft Factory, Navy Yard, Philadelphia, Pa.; also castings for a manufacturer with whom the Navy has a contract for a special type of marine engine.

The duration of the strike in plant No. 1 (bearings) was from August 29 to October 8, inclusive, 41 calendar days. The duration of the strike in plant No. 2 (castings) was from September 15 to October 8, 1939, inclusive, 24 calendar days.

(d) Whether the delivery of bearings or parts which had been manufactured for the Navy, or of plans, specifications, or equipment, or any of them was delayed?

The delivery of completed castings, bearings, and parts, also those in the process of manufacture, was delayed for the duration of the strike.

The Navy Department was unable to obtain the return of the Government-owned patterns, plans, and equipment for the duration of the strike.

(e) What, if any, representations were made by the Navy Department to the cor-

poration looking toward the ending of said strike?

No representations were made by the Navy Department to the corporation looking toward the ending of the strike.

(f) What, if any, representations were made by the Navy Department to the union or its representatives looking toward the settlement of the strike?

On September 28, 1939, the United States Navy resident inspector of naval material at Detroit, Mich., informed the regional director of the United Automobile Workers, Congress of Industrial Organizations, Detroit, Mich., of the seriousness of the delay in the delivery of the material due on contracts, also the urgent need of the shipment of patterns and requested that he instruct his representative in charge of the picket line at the corporation's plant No. 2 to allow a representative of the inspector of naval material and a truck to pass through the picket line to pick up Government-owned patterns and ship them on a Government bill of lading.

The regional director of the United Automobile Workers, Congress of Industrial Organizations sent three representatives of union local No. 208 to discuss the removal of the patterns with the inspector of naval material. The representatives of union local No. 208 were given full access to the files on the Navy contracts and they were informed that the delay in releasing patterns for delivery was seriously jeopardizing the manufacture of airplane engines at the Naval Aircraft Factory. At the end of the discussion, the union representatives stated that as the strike situation stood at the present time, their answer was emphatically "No" and that they would not let patterns or inspected castings be removed. No further action was taken by the Navy Department to remove the patterns and castings. The Navy Department kept in touch with the strike situation at the Bohn plants through its field representatives, and through the United States Department of Labor, but took no steps looking toward the settlement of the strike.

Sincerely yours,

CHARLES EDISON,
The Acting Secretary of the Navy.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the last time the Draft Act was before the House, which was during my first term as a Member of this distinguished body, I voted against it. This time I shall support this bill, and I would like to tell the House my reasons for supporting it.

First, I think the lines have tightened, compared to what they were before. I think now we have to determine whether the appetite of the American people for freedom has dimmed to the point where we are not willing to make personal sacrifices to retain that freedom for ourselves and in the world and whether we are willing to surrender and take the consequences of surrender, which are these: first, an estimated \$35,000,000,000 annual budget for the Military Establishment, because the danger we face is not that our country shall be isolationist as it was for many years after World War I, but that it shall be isolated; deprived of the aid of the free peoples who are our friends and allies; and, second, and deriving directly from that—a depreciation in the American standard of living in such an eventuality of not less than 50 percent.

Mr. Speaker, I believe that the appetite for freedom of the people of our

country has not diminished, and I think this bill is but a recognition of the way in which the lines have been drawn now.

I do not go along with the school of thought which says that if we erect a formidable armament and constantly add to that formidable armament, we will avoid war, because the other side will be scared. That has never in history led to avoiding war. But I do believe that the economic reconstruction of the free world, which we are engaged in today, and which is successful, can decisively repel the Communist challenge, needs the solid defense of a shield which can be respected.

And let us never forget that on the other side of the shield of defensive power, that we are endeavoring to help perfect through this measure, stands a fully mobilized Soviet army. The Soviet is not passing a measure to have a standby draft or just to register young men. It maintains a fully mobilized army in excess of 150 divisions with three to five million active soldiers. Let us never forget that and let us throw that in the teeth of anyone who tells us that our people who support this measure will be preaching the doctrine of war. The American people are dedicated to peace and also to freedom; they will not permit themselves to be provoked; they will recognize their responsibilities.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, it is not my desire to be critical of the committee. Under the peculiar circumstances that exist I suppose it is impossible to bring in a stronger bill. However, I do feel that a mollicoddle measure such as this may ultimately cause us to hang our heads in shame. We are determinedly refusing to face the issue. We are determined that we shall not recognize that we are living in a hostile world. We deny the existence of aggressors who despise and hate us. If there is to be draft legislation, let us bring out on this floor an honest draft bill with teeth in it. A bill that will actually provide adequate training for the youth of this country.

All around the world there are rumors of war, yet we are not taking cognizance of them. We are satisfied that if a conflict comes we will once again throw untrained youth into the breach. This lack of training has cost us 150,000 casualties in each of the two previous wars. Gentlemen of the House we must stop playing politics. We must recognize our responsibility to safeguard the Nation and its youth. We must stop bringing forth legislation the principal purpose of which is to offend no one. We must pass legislation that is sound, solid, and substantial.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. O'TOOLE] has expired.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, I shall support this measure because I believe it is necessary for the moral effect that it will have on the nations of the world. I have two sons who will soon register under this registration act. Four

members of my immediate family were in the last war.

The reason I take the floor is that I wish to remark that if I hated labor as badly as some of the gentlemen who speak at this microphone seem to, I would refuse to wear the clothes they make, I would refuse to eat the food they process, I would refuse to ride in the automobiles that they manufacture, I would refuse to live in the houses they build, and I would refuse to ride in the trains they drive. I would go into the wilderness and I would make my clothes of leaves and I would live on squirrels and fish.

Mr. LYLE. Mr. Speaker, I yield the balance of my time to the gentleman from Louisiana [Mr. Brooks].

Mr. BROOKS. Mr. Speaker, this legislation before us I think is a very important piece of legislation. One of the arguments which impressed the committee more than other arguments for the passage of this legislation, when the hearings were held, was the testimony of the Secretary of Defense, Louis Johnson, on January 20, 1950. For fear that some may have overlooked this statement, I am taking this opportunity to read it into the RECORD, that the country may know one of the great and impelling reasons why the committee voted this measure out with approval.

The statement is as follows:

There are many indications that the forthright action by the Congress in June 1948 had significant repercussions abroad. We know, for instance, on the observation of our Ambassador to Moscow, that the passage of the 1948 act came as a thunderous shock to the men of the Politburo. And we all remember how, 1 month after President Truman addressed the joint session of Congress in March of 1948, the Italian people went to the polling booths and chose to stand with freedom in defiance of dictatorship.

I am not implying that the enactment of selective service alone was responsible for the rebirth of hope in Europe. I do not hesitate, however, to go on record that it was one of the decisive factors in stopping the spread of communism in Europe in 1948. The adoption of selective service in peacetime declared to the world in terms that were clearly understandable that we propose to keep ourselves strong.

Mr. Speaker, this Nation had the experience before World War I of trying to follow the doctrine of weakness. We found that it failed miserably, and as a result of our weak and undefended position we were brought into World War I. I am confident in my own mind that had this country been thoroughly prepared as the clouds of the Second World War came in, we might have been able even to stay out of that second dreadful conflict. I am satisfied that the doctrine of weakness, of unpreparedness in the face of the storm in the world is a false doctrine to pursue. I am satisfied that the greatest obligation that rests upon us here is the Congress of the United States is to keep this Nation out of war and in a state of peace. Therefore, Mr. Chairman, I think one of the best arguments we can advance toward stopping the progress of communism in Europe and maintaining our institutions of freedom in the world is by the passage of this bill extending the draft act.

I thoroughly subscribe to the argument presented by our great Secretary of Defense.

Mr. LYLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6286) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6286) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes, with Mr. ROONEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(The text of the bill is as follows:)

Be it enacted, etc., That subsection (b) of section 17 of the Selective Service Act of 1948 (62 Stat. 604) is hereby amended by striking out the words "second anniversary" and substituting therefor the words "fifth anniversary."

The CHAIRMAN. Under the rule, the gentleman from Georgia [Mr. VINSON] is recognized for 1 hour and the gentleman from Missouri [Mr. SHORT] for 1 hour.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill has the unanimous support of the Committee on Armed Services. It will have these effects:

First, it extends for two more years the 1948 Selective Service Act, which expires on June 24 of this year.

Second, it bars any inductions until Congress has declared that a national emergency exists which requires an increase in our military strength.

Third, it suspends the President's power to seize plants essential to war until the Congress declares an emergency.

Fourth, it keeps in operation the requirement that every male person in the United States between the ages of 18 and 26 must register with his local selective service board.

Fifth, it keeps in operation the requirement that registrants be continually classified as to availability for military service.

Sixth, it authorizes the President to order to active duty for 21 months all National Guardsmen, Reserves, and Regular retired personnel after a national emergency is declared by the Congress.

Seventh, it suspends provisions of law authorizing short-term enlistments in the Regular armed forces.

So there are the two main effects of the bill. First, it puts inductions in a stand-by status until the Congress says men are to be inducted; second, it continues the registration of 18-year-olds and their classification as to availability for military service.

In its day-to-day operation, what this bill really amounts to is a manpower registration law. It keeps us up to date on our youth of military age in the way of possible exemptions and deferments, and keeps their addresses readily available in case the Congress should find it necessary, sometime in the future, to authorize inductions into the armed forces.

It also keeps induction authority on the statute books for immediate use in time of emergency, but that authority is suspended until the Congress determines that world conditions require an increase in the strength of our armed forces.

Now, what are the reasons that justify the extension of the selective service law?

First, I want to discuss world conditions for a moment.

Two years ago, when we put this law on the statute books, all of us hoped that world conditions would so improve that we could, by now, dispense with a draft law. That is why we put a 2-year limit on the law. Now, I know it comes as no surprise to any Member of the House when I say that, despite our hopes, world conditions today are not improved. Two years ago the Armed Services Committee reported to the House that selective-service legislation was "the necessary response of this Government to specific, aggressive, and dangerous actions on the part of the Government of the Soviet Union."

Now, the fact is that the actions of the Soviet Union are quite as menacing and truculent today as they were then—if not more so. As General Bradley testified before the Armed Services Committee on May 2, "there has been no let-up in the aggressive extension of communism toward its goal of world domination."

Mr. Chairman, the trend of international affairs in recent months has been extremely disturbing to all of our people. As General Bradley said, it is not so much the specific incidents as it is their accumulation—their cumulative impact—that gives us concern. Let me remind the committee what has happened in recent months.

There has been a recent, unprovoked attack on a United States Navy plane, costing the lives of 10 of our citizens. There has been continued Soviet pressure on our occupation forces in Berlin which very recently has taken on very serious aspects. There has been a tremendous extension of Soviet influence in the Far East, and Indochina, Burma, Siam, and the Malayan Peninsula are in steadily increasing danger of going the way of China. In Eastern Germany the Russians have created a powerful army under their domination, and they have recently taken over the Polish armed

forces. More recently they have demanded our ouster from Trieste. Various harassing and menacing acts are occurring with increasing frequency against our private citizens and Government officials at various pressure points throughout the world. Meanwhile, Soviet armed strength has steadily increased, and our Government policy-making officials have found it necessary to tell our people almost daily that we must maintain ourselves in a state of great readiness in a tense and threatening world. Several of our most responsible leaders have repeatedly reminded the Nation of the fact that Russia now respects only force.

So, what does it all add up to? General Bradley asked that question before the Armed Services Committee on May 2 and answered, in his own words, that—

Certainly it does not support discontinuance of the Selective Service Act when it expires on June 24.

The Armed Services Committee has unanimously agreed with that sound observation by General Bradley. There is nothing whatsoever in the international scene which would warrant relaxation on the part of the United States of her readiness program. It is the committee's conclusion that if we let the Selective Service Act expire, it would clearly constitute an unfortunate and unwise reversal of our preparedness efforts.

There was another important reason prompting the Armed Services Committee to bring this bill unanimously to the House.

General Bradley made this observation to the committee:

It appears to me, as I tabulate the actions of the past several months—

He was referring to the Marshall plan, the North Atlantic Treaty, defense planning at The Hague, the military assistance program—

that it would be entirely inconsistent for us to participate in all of these plans to protect ourselves and others, and then penalize ourselves by letting selective service lapse at the height of the cold war.

We had similar testimony from the Secretary of State on this point. He testified:

While I realize that for some months it has not been necessary to use the Selective Service Act as the basis for meeting our manpower requirements of our armed forces, I nonetheless believe that failure to extend the act might be widely interpreted abroad as a relaxation of our determination to remain strong as the principal defender of the peace against aggression from any power. It would appear inconsistent both with the responsibility which we assumed under the North Atlantic Treaty and with our efforts to encourage the other members of the treaty to increase their individual and collective strength to resist aggression.

The committee agrees fully with the Secretary of State, the Secretary of Defense, General Bradley, and others that profound effects could flow in foreign lands from a refusal by the Congress to keep this law on the statute books. Not only could the impact abroad be directly contradictory to what we are trying to do through other measures in international affairs, but I am personally convinced that the Soviet Union

would seize upon such a refusal as evidence that this Nation is half-hearted in its international efforts—and there is no doubt that enormous volumes of misleading and damaging propaganda would be spread from one end of the world to the other in an effort to persuade our friends overseas that America is not willing to stand up to the requirements of the cold war.

So from the standpoint of our own readiness for an emergency in a world which is certainly no less troubled than it was 2 years ago, and from the standpoint of the effect on our friends overseas who, after all, are right next door to the Russian military machine, we have unanimously concluded on the Armed Services Committee that it would be extremely unwise to permit the Selective Service Act to lapse.

Now, how does keeping this law on the books assist our readiness program?

I mentioned before that the committee is putting inductions on the shelf until the Congress declares a national emergency. I want to emphasize that this will not eliminate the value of those provisions in the law. In case of an emergency, it will be far simpler and much quicker for the Congress to approve a concurrent resolution than it would be for us to try to write, in a great hurry, a law that sets out in great detail all of the exemptions and deferments, and so on, which have to go into a draft act.

There is definite readiness to be gained by keeping this authority on the statute books. Upon approval of the concurrent resolution by the Congress we can promptly increase the armed strength very substantially—much faster than we could if we had to write an entirely new law from scratch.

But there is an even more important reason why this measure contributes to the readiness of our defense program.

This bill will keep the selective service machinery operating, and will continue registrations and classifications. These three activities are absolutely vital to the rapid mobilization of our manpower.

We have arrived at a time, because of atomic weapons and other instruments of modern war, when we cannot postpone until after an emergency begins our efforts to mobilize promptly. We have to be as ready as we can when the emergency starts. This means that we must be able to mobilize far more rapidly than ever before in our history. I think it is evident to every Member of the House that our manpower mobilization plans can be of little value in time of an emergency unless there is machinery already perfected and in operation—machinery which does not have to be assembled and personnel gathered and trained when the crisis is upon us.

There can be no doubt, by the way, that in case of a future Pearl Harbor it would be much more difficult to create and place in operation a Selective Service System than it was 10 years ago and again in 1948. There will be enormous, competing demands for civilian manpower, and there could possibly be very serious damage to the Nation on the very outbreak of the emergency. It follows, therefore, that the present Selective

Service System, in actual operation, with board members already appointed, with personnel already trained, ready to function at once in each of the local communities of the Nation, can much more acceptably and much more in the national interest produce prompt results than any organization which we could hastily assemble under circumstances possibly chaotic in nature.

What this means in terms of time is 4 months. It means that we could reach an induction rate of 300,000 a month in the event of an emergency 4 months sooner than we otherwise could if we let the System lapse. The saving of this time could be of incalculable importance in the event of a sudden military crisis.

Now, Mr. Chairman, I want to take just a moment to summarize what the Selective Service System consists of. I remind the House that the System is kept in operation under terms of this bill.

Now, this is the Selective Service System. It consists of a national headquarters here in Washington which is headed by a Director confirmed by the Senate. Although headed at the present time by a retired major general, it is a civilian organization unconnected with the Armed Forces and operates directly under the President.

The Selective Service System now has 54 State headquarters. There are 3,745 local boards, which for reasons of economy, are housed at approximately 3,000 locations throughout the country. There are about one-half the number of local boards and less than 20 percent of the personnel that the System required to operate during World War II.

The Selective Service System is staffed with 37,000 uncompensated citizens. They serve as members of local boards, appeal boards, medical advisers, appeal agents, and advisers to registrants.

Most of the compensated people—there are 3,600—serve as clerks of the local boards, and most of them are on a part-time basis, in many instances working only 1 day a week. In fact, although there are 3,600 persons employed, payments are made for only about 2,100 man-years.

Now, what about the cost of this legislation?

The President asked for \$6,454,000 for Selective Service in the 1951 budget. That sum did not presume the extension of the Selective Service Act and, therefore, included a sum of \$3,000,000 for the liquidation of Selective Service which can be saved if the act is extended.

Now, I remind the committee that in the Eightieth Congress we passed Public Law 26. That established the Office of Selective Service Records, an agency charged with the liquidation of the Selective Service System and the proper maintenance of all Selective Service records of World Wars I and II. The Selective Service Act of 1948 absorbed into the Selective Service System the Office of Selective Service Records for the life of the Selective Service Act.

So, to take care of the contingency that the Congress might not extend the Selective Service Act, the 1951 budget, as requested by the President, provided

only for the liquidation of the Selective Service System and for the continuing operation of the Office of Selective Service Records. The President asked for \$6,454,000 for these purposes. Three million dollars of that was to liquidate the Selective Service System and, as I say, will not have to be spent when this bill is enacted into law. The balance—\$3,454,000—will continue to be needed to operate the Office of Selective Service Records through the Selective Service System.

Now, the House cut that budget by \$1,500,000—giving Selective Service a sum of \$4,954,000 instead of \$6,454,000. This bill adds the obligations of registration and classification and the maintenance of the Selective Service machinery. So it appears to require an additional expenditure of \$4,200,000. However, that does not count the \$3,000,000 we will save by not liquidating the Selective Service System. So, what the bill will really cost is an additional \$1,200,000 in fiscal year 1951. If the Senate does not restore any of the House \$1,500,000 cut in the selective-service budget, that will make the total budget in 1951 for selective service somewhere in the vicinity of \$6,000,000, as contrasted with the \$10,654,000 anticipated by the President in his 1951 budget.

So, to sum up, the Committee can understand that in fiscal year 1951 this bill will entail an additional cost of only \$1,200,000. The balance of the selective-service budget, \$4,954,000, passed a few days ago by the House, provides for all other selective-service costs.

The total selective-service budget amounts to less than one-tenth of 1 percent of our total defense expenditures. And yet, that will keep in operation the selective-service headquarters in the 48 States, the possessions, the District of Columbia, and New York City, and will also operate the 3,745 local boards, as well as the national headquarters. That total budget provides an enormous amount of mobilization potential for a remarkably low cost.

So, to sum it up, this is a bill which, at the very low cost of \$1,200,000, contributes very importantly to our national defense through the saving of valuable mobilization time, through the impact on our friends overseas, and through the impact upon our potential enemies overseas. By keeping the compulsory features of the law in suspension, we make sure that the Congress retains full authority over the decision as to when compulsory service is necessary, but at the same time we insure that the benefits of the act are kept available.

In this era of atomic weapons, in this time when a vast foreign country is so evidently hostile to everything our Nation stands for, in a time when emphasis is on force in international affairs, the Armed Services Committee is convinced that it would be a serious blow to peace if we failed to continued selective service in law.

Now, Mr. Chairman, the gentleman from Nebraska [Mr. MILLER] asked why have the committee gone up the hill one day and down the hill the next? Or, in other words, why do we seem to be in

an inconsistent position regarding this bill. In my prepared statement I have just about covered this ground already, but the gentleman from Nebraska will recall that the President, in his message of last January, recommended an extension of the Selective Service Act. The Selective Service Act was passed in the Eightieth Congress. At that time there was written in the bill and in the report the hope of every Member of Congress, which was the hope of the country, that world conditions would be such that the Selective Service Act would only be required for 2 years; and so we wrote it in the bill of 1948.

Congress convened in January of this year; the President sent his message on the 4th of January. Hearings were opened on the bill and we had all the qualified witnesses from the departments, including the Secretary of State, General Bradley, and others qualified. They pointed out the reasons why there should be an extension of this draft. The committee was deeply impressed by the point that substantial time would be saved by an extension. Now, get that point in your minds, because this is very important: If this law were not on the statute books and a national emergency should arise, it would require 7 months to get the machinery in motion so we could be able to induct a substantial number of people. The committee therefore was impressed with the necessity to save time, 4 months at least, in the event of a national emergency. After the hearings, world affairs drifted along and were in a fairly stable condition. So the committee said: Well, we will drift along too, and see how things are going.

We did not do a thing from January into May. Then we began to look at world conditions and we saw that they were more aggravated than they had been in January when we commenced our hearings. I mentioned this situation in my opening remarks. An airplane had just been shot down over the Baltic. Other things had happened in Europe which caused the committee to call General Bradley. We also called Admiral Hillenkoetter, Director of the Central Intelligence Agency. We had Mr. Johnson, Secretary of Defense. We shut the door. They stated to us how they visualized world conditions at that time.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Did the gentleman's committee have the advantage of the President's statement, the statement of the Commander in Chief of our armed services, that conditions were better then than they were in 1946?

Mr. VINSON. Yes, we had the advantage of all such statements.

Mr. MILLER of Nebraska. The gentleman prefers not to take the statement of the Commander in Chief?

Mr. VINSON. I prefer to select my witnesses when I am reaching a decision, especially on strictly military matters.

Mr. MILLER of Nebraska. I find no fault with that.

Mr. VINSON. I disagree with the President quite often, and I have no

hesitancy to say so when I do disagree with him.

General Bradley said:

There has been no let-up in the aggressive extension of communism toward its goal of world domination.

We all know that conditions are not as good as we would like to have them, and we all know the effect that would be all over the world if our allied nations in the Atlantic Pact would read tomorrow morning that America had let its selective service law fade away and die. So from all those facts we concluded that world conditions justified us in doing what? To continue the registration and classification. If world conditions should get worse, this Congress could, if it saw fit and if the military requirements demanded it, come in here with a concurrent resolution to put induction in effect.

That is what we have done. We have approached the matter in a calm, deliberate, careful manner. I repeat, we had the hearings in January, we finished them in February; then let everything stand in status quo until May 3d. We could see what was going on in the world. We are not blind. After we heard General Bradley in executive session, after we heard the Director of Central Intelligence in executive session, after we found out the attitude of the State Department, we said we would be derelict in the performance of our duty if we sat idly by and let this law die on the statute books. We knew back in January that the most effective point made by the armed services was the matter of time because you do save 4 months of valuable time by keeping this law on the statute books. You can get to an induction rate of 300,000 men a month in a period of 3 months if an emergency arises.

Great events have happened in the space of 3 months. Napoleon fought his 100 days' campaign in about that time. A great empire was defeated and wiped out in 3 months. Hiroshima and Nagasaki were destroyed in an instant in the last war. So in this atomic age time is very important and, as stated by the gentleman from Illinois [Mr. ALLEN], quoting General Bradley:

Now is the time to buy our time and be ready if an emergency arises.

Now, I hope that world conditions will be such that it will never be necessary for Congress to pass a concurrent resolution to put this draft into effect. But, would we not be derelict in the performance of our duty if we let this law pass away, let all of these draft boards, 3,700 in the United States, fade away? If you were confronted with an emergency, then you would have to start all over from scratch. Look what a condition we would be in.

I have been here for a long time. I voted for the draft back in 1917. I know the confusion that arises when a war is at hand, and that is the reason I said to the gentleman from Michigan, "Now is the time, in this calm atmosphere we are in, to bring in a general mobilization plan, pass it in calmness and quiet, and put it on the shelf." I am satisfied the distinguished gentleman who now heads

the National Security Resources Board will, in January, have such a program.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Georgia.

Mr. PRESTON. Is it not true also that between the time the committee held hearings and the time in May when the gentleman announced the plan to extend this law, that it was discovered that our atomic secrets had been given away to Russia?

Mr. VINSON. Of course.

Mr. PRESTON. And the conditions in the East became progressively worse; much worse than they had been in January?

Mr. VINSON. Yes. Let me call this to the attention of the gentleman from Nebraska.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The President announced that the atomic bomb had been exploded in Russia in September 1949. That is a long time before the period in May which the gentleman referred to.

Mr. VINSON. Yes, but we did not know at that time, in January, that the men who were connected with the atomic bomb, were sending all the secrets to Russia. Look at your papers today. They disclose what was going on.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Louisiana.

Mr. BROOKS. May I say this to the gentleman, when we discovered that Russia had learned the secrets of the atomic bomb, we had in force the selective service as extended. Now, that law which was in force at that time is about to go off the books. We are not asking for a step forward, but merely to hold our line.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, let me catalog again for the edification of my distinguished friend from Nebraska what took place after January when we closed this hearing. Now, listen to this and see if this does not disturb the conscience of one who comes from the Great Plains of Nebraska. There has been a recent unprovoked attack on a United States Navy plane costing the lives of 10 of our citizens. The attack was without any warning whatsoever. Our plane had the right to go where it did go. It was attacked and shot down after January. There has been continual Soviet pressure on our occupation forces in Berlin. In a few days it may be very serious. Look what was in last night's paper, a protest from Great Britain, France, and the United States to Russia for building up in its zone an army of 50,000, to such an extent that it so disturbed the other countries that they have had to protest. There has been a tremendous extension of Soviet influence in the Far East, Indochina, Burma, Siam, and the Malay Peninsula. They all evidence a steadily increasing tendency to go communistic.

Nothing influenced the Armed Services Committee more to keep the Government in the synthetic rubber business than the fear that communism would sweep the Malay Peninsula and deny us any opportunity of getting rubber. All of these are factors that weighed with the gentleman from Missouri [Mr. SHORT], the gentleman from Michigan [Mr. SHAFER], and other Members who voted against the draft bill 2 years ago. More recently there have been demands for our ouster from Trieste. Our private citizens are being harassed at various pressure points throughout the world. Meanwhile the Soviet military threat is constantly increasing. Our own Government officials announce almost daily that we must maintain ourselves in a state of great readiness in a threatened world. The Secretary of State after January made a very unusual announcement that the Soviet Union recognizes only one thing, and that is force.

Mr. MILLER of Nebraska. Mr. Chairman, if the gentleman will yield, I do not want to be misunderstood. I am inclined to agree with the gentleman and his committee. I think they have weighed the evidence properly but it is certainly surprising to me that they entirely disagree with the Commander in Chief.

Mr. VINSON. Do not try to get me off in a fuss with the President. I do not want to fuss with him publicly any more than I have to. If the gentleman gets any satisfaction out of saying that the President is wrong, let him go on and say it.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HOFFMAN of Michigan. The gentleman has several times referred to the press and said that we could go to the press for information. I assume his purpose was to advise us that Russia has recently been more aggressive. Is it not apparent that Russia has continued to be aggressive and has grown more aggressive from month to month because of concessions which have been made by those in authority here? Does it not follow that if we are in this situation and if we must prepare for war, we should not permit those who failed to guard our interests before, who are responsible for the position we are in, to continue in charge of our activities?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. I am glad my time has expired, so I am relieved from answering the question. The issues involved in the question are not pertinent to this legislation and it would take too long from the debate on the bill to discuss the matter.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, we find ourselves today in a situation unique in the history of the United States. Five years ago we concluded one of the longest, and certainly the most costly, war in our history. Our Armed Forces had achieved challenged victories in all theaters, and together with our allies, we had forced the unconditional surrender

of the Nazis in Europe and the occupation of Japan in the Far East. Even before that date, the Fascist government of Italy had been removed and that country gave every prospect of an early return to the family of nations.

As we recall the scene, and the sentiments of 5 years ago, and our high hopes for new world order—under the auspices of the United Nations organization—it is hard to realize how rapidly the scene has shifted. From being the victorious leader of a coalition, we find ourselves engaged in a cold war. Many of the countries in Europe which were delivered from Nazi domination now find themselves under the heel of a Soviet tyranny, no better than their former situation. Our great ally in Asia, the Chinese Republic, which withstood Japanese onslaughts for almost 8 years has now collapsed and with the exception of a single island, Formosa, is in the hands of the Communists.

In the field of atomic energy and weapons we anticipated, with reasonable assurance, that the Russians would not have the atom bomb until after 1952. Instead—with some assistance from subversive agents—they already have the atom bomb. As a result, our monopoly—temporary at best—on the atom bomb is no longer to be relied upon as the sole means of protecting the United States.

In these circumstances it is essential that we take all possible steps for our own security. Economy in government is absolutely essential, but we must not, in the pursuit of this aim, render ourselves defenseless. There are, I assure you, a great many activities and programs of the Federal Government which can be curtailed, or abolished without serious harm. The Hoover Commission, in its monumental report last year, pointed out numerous areas in which large savings could be made with great benefit to our citizens and taxpayers. However, we cannot afford to let our defenses run down—or become obsolete—at this time.

The North Atlantic Pact and the subsidiary defense groupings may in time develop into important defense mechanisms, against the threat of Russian military expansion. I certainly hope that they will, and I have availed myself of every opportunity, both in Washington and overseas, to become familiar with the organization and operation of this group. However, at the present time we cannot rely on the other countries of the North Atlantic Pact, or allies elsewhere. We must be prepared to defend ourselves against any onslaught.

At this moment our army is in western Germany, with the Russian forces occupying eastern Germany. In Austria, a similar situation prevails. The Russians have recently established a navy department of ministry in their government and embarked on a major construction program, principally in submarines. The testimony before our committee and the information in the public press has revealed that Russia now has some 270 submarines in commission including a number of the latest type—so-called snorkel submarines. The Russian air force recently shot down, over the Baltic Sea, an unarmed Navy patrol plane on routine

flight from western Germany to Copenhagen, Denmark. During the current month, the Russians have scheduled a march on western Berlin. Whether this will be carried out or not we do not know, but it is all part of the war of nerves.

In view of the above examples, of recent date, of increasing Russian military activity and pressure, we cannot remain passive or let down our guard. The figures and the comparative strength of the Russian forces as compared to our own, and those of our potential allies are extremely serious. For the past 5 years our possession of the atom bomb, as Winston Churchill has stated, constituted the greatest single deterrent to war. But, as I stated before, we no longer possess a monopoly in this field and our advantage is running out sooner than we anticipated. In the field of land armies the Russians possess a force of approximately 175 divisions, organized, trained, and equipped. Our own forces, and those of our allies, available for the defense of western Europe are scarcely over 25 to 30 divisions. In the field of equipment, the picture is much the same. The Russian strength in tanks has been established as being seven times our own. Their aircraft production is currently much greater. In the light of all these factors we have no choice but to build up our defense in all fields. I have supported legislation to establish a 70-group Air Force and in 1949 supported the funds for the procurement of additional aircraft. We still need expansion in our Air Force, and particularly, more modern planes of varied types. With respect to the Army, General Bradley urged the House Armed Services Committee 2 years ago to build a force of 12 combat divisions, with the necessary supporting troops, installations, and equipment. The bulk of our forces in time of war will, of course, come from the National Guard and Organized Reserve Corps, but it is essential that we have a small, alert, and well-trained force actually in being. We must also have the equipment which the Reserves will need for training and employment. These things cannot be all improvised overnight. The Regular Army, Reserve forces, and industry must be ready in advance if we are to mobilize adequate forces in the limited time that will be available to us.

The Navy is just now starting a program for constructing additional submarines, landing craft, and equipment for detecting and combating enemy submarines. This must be pushed forward with the greatest possible speed because we are, I feel, behind in this work.

We must also strengthen our civilian defense organization in order to be ready for whatever may occur as a result of enemy action directed against our own country. A great deal of planning has been done on this matter, but I am not satisfied that sufficient effort has been made to translate the planning into actual organization in our various States and communities.

All of this may give the impression that I am expecting a war. I do not. But the only way we can avoid war with the Russian Communist Government is

by maintaining our defenses in readiness and by adopting a firm, consistent, and vigorous diplomatic policy toward that country. The Russians respect only force, and our best assurance of peace—indeed our only assurance—lies in maintaining our defenses in such state of readiness that we will never again be caught unprepared as we were in 1917 and in 1941.

Therefore, Mr. Chairman, I want to state emphatically that the extension of the selective-service part of the over-all defense program is imperative in these times.

There are many reasons justifying extension of the act. Every one of them is sufficient cause unto itself, but by all odds the most important reason is the saving of mobilization time. That is the most persuasive, most compelling, and certainly the most concrete reason offered thus far for extending this law.

What it means is saving 4 months' time. We can get up to a monthly induction rate of 300,000 4 months sooner by extending the law than we can if we let the law expire. Now, that is important. I say that, under modern conditions of warfare, the value of those 4 months could be incalculable. For the first time in our history, the United States is actually in a front-line position in time of peace. We are subject to direct attack—and terribly destructive attack—on the outbreak of war. We face the possibility of crippling destruction of our vaunted industrial potential without warning, of guided-missile attack, without warning, on our coastal cities; of widespread subversion from within. Should that terrible time ever come, how valuable will 4 months' time saved be? I do not know. But I do know that every American will be thankful indeed if the foresight of the Congress has made any time-saving possible.

And turn your minds to the possibly chaotic situation in event we are suddenly catapulted into an emergency. The Nation's manpower demands will be utterly stupendous. They will be immediate. They will be made for all manner of Government activities; from ration boards to selective-service boards; to civil-defense organizations. So urgent and numerous will be such demands, on the outbreak of a future war, that it would be an almost insuperable problem, to reconstitute the Nation-wide Selective Service System from scratch. And yet we would have to have selective-service boards in each community, thousands upon thousands of them, for we had almost 6,500 local boards in the last war—we would have to have the appeal boards, the national headquarters, the State headquarters, the trained board clerks and experienced board members, and so on. It is only common prudence to keep this Nation-wide organization functioning in this troubled time. Its cost is relatively small, but, if we should need it, its value would be unmeasurable. And as I mentioned, it can be reconstituted in time of emergency only with the greatest difficulty.

Extension of this law, therefore, unquestionably is a substantial factor in

the cold war, just as failure to extend the law would be a sharp blow against our own best interests in today's world.

Extension of this law represents a re-dedication of our people to the grim task at hand in the world. There is readiness, firmness, determination, a mature recognition of the sad plight of international life today.

All in all, it would be a sad inconsistency with our recent efforts nationally and internationally, it would be a blow to our preparedness, it would be shrinking in the face of demonstrable need, if we should fail to extend this important statute.

I have no doubt that the Congress will measure up to the needs of the time and pass this legislation.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Chairman, from the standpoint of millions of Americans who, like myself, believe that militarism is one of the most menacing threats to the delicate fabric of our American way of life, the bill now before us may well be regarded in the future as a legislative bulwark protecting some of our dearest ideals of liberty. For this bill puts an end to an extremely dangerous chapter in American history.

Two years ago the Congress undertook an unprecedented experiment in militarism in this country. For the first time since our Nation was founded, the National Military Establishment was given discretionary power in peacetime to take American youths from their homes and compel them to enter military service, merely because the Army was dissatisfied with the system of voluntary recruitment.

This bill terminates the exercise of that tyrannical power by the Military Establishment, and provides that in the future American manhood shall not be conscripted unless Congress by concurrent resolution declares a national emergency.

And I venture to predict, Mr. Chairman, that the principle embodied in this bill will never be repealed, and that the Military Establishment, except in national emergencies, will never again be given compulsory authority over the lives and liberties of American men.

Two years ago I stood here in the well of the House and opposed the passage of what is now known as the Selective Service Act of 1948. I stated then that one of the basic principles upon which the free democratic society of America had grown to greatness had been freedom for all of our citizens from compulsory military service in time of peace. I recalled that I had voted for the Selective Service Act of 1940 because I was convinced that the American people were at that time in the shadow of a great national emergency, and that the immediate mobilization of the country's manpower was essential to the national defense.

But I pointed out that the 1948 bill was presented to Congress as a peacetime preparedness measure, and that all of our military leaders had assured the Armed Services Committee that our

Government was not then confronted with a national emergency based upon the imminence of war. The principal reason advanced in support of the enactment of a selective-service law in 1948 was the alleged inability of the Army to obtain sufficient men by voluntary enlistments to maintain its authorized strength.

I challenged the validity of the Army's contention at that time, and expressed the conviction that the real purpose of the bill was to put into effect the age-long determination of our Military Establishment to fasten upon the American people some form of compulsory military service in time of peace.

Mr. Chairman, I do not profess to be a prophet or the son of a prophet, but within 7 months after the Selective Service Act of 1948 became a law the Army tacitly acknowledged that its representations to Congress had been false, and ceased the induction of any more men under the authority of the Selective Service Act.

Now, Mr. Chairman, I am appearing here today in support of the present measure and I am doing so principally because its title, which is the Selective Service Extension Act of 1950, is in one very important sense a misnomer, and because the declaration in section I of the bill that "the 1948 Selective Service Act is extended for 2 more years" is only partly true.

The most significant and important provisions of this bill are contained in section II which declares that—

All compulsions in the 1948 act (excepting registration and classification) are placed in suspension until the Congress, by concurrent resolution, declares that a national emergency exists which requires an increase in the armed strength of the United States.

In other words, this bill takes away from the Military Establishment its present arbitrary authority to compel the young men of this country to go into military service whenever it sees fit to do so, and places control of that authority in the hands of Congress.

I have always recognized the importance of military conscription as a measure for mobilization in the national defense, and I am voting for the bill now before us because it provides that actual conscription of manpower and of industry will take place only when Congress decides that a national emergency requires immediate mobilization of all of our resources for the defense of the Nation.

This bill will keep the machinery of selective service in a condition of standby readiness, so that the induction of manpower and the conscription of essential war industries may begin immediately after Congress declares that a national emergency requires such action. Spokesmen for the national Military Establishment have informed the Armed Services Committee that this standby preparedness will save at least 4 months in mobilizing the Nation's military strength.

In recent times we have heard much of the threat to the American way of life by certain alien ideologies. I am as

much opposed to the tyrannical cults which have grown out of those alien philosophies as any other American can possibly be. But I believe that another very dangerous threat to our cherished American way of life is from the ideology of militarism. This ideology is as old as civilization; yes, even older. It has always sought to fasten itself upon societies of free men. Whenever it has succeeded in doing so, those societies, ancient and modern, have been marked for destruction.

As a member of the Armed Services Committee I have voted to give to the United States the greatest Air Force and the greatest Navy in the world. I have voted and will continue to vote to give our Army every kind of modern equipment which is necessary to make it strong and effective.

But I insist that except in time of national emergency, the power to reach into the American home and take sons away from parents shall be denied to the Military Establishment and vested solely in the Congress of the United States.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. HAVENNER. I yield to the gentleman from Louisiana.

Mr. BROOKS. May I say to the gentleman that he has delivered a very excellent speech, and may I also say that he has done excellent work as a member of the Armed Services Committee of the House of Representatives? He has been most attentive and most serious in the performance of his duties and in meeting the problems which come to that committee. I think he is to be commended for his aggressive position in the interest of national defense.

Mr. HAVENNER. I thank the gentleman.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Like the gentleman from Pennsylvania, I have always opposed a peacetime draft. I do not consider this a peacetime draft. Someone in the cloak room came to me and said, "Are we inconsistent with those of us who oppose a peacetime draft in supporting this legislation?" I told them I thought definitely not, because this is not a peacetime draft. This is a registration. When these young boys register it does not reach into their personal lives probably as much as the census questions asked of their fathers and mothers. So I say to those who have always opposed a peacetime draft that by supporting this bill they are consistent, because this is not a peacetime draft.

Mr. RICH. Mr. Chairman, I do not care what the gentleman from Illinois says in that respect. If this is not a draft, then I do not understand what it is; I do not understand what you are using it for if you take the statement here made by the committee. During the year 1948 they registered 30,066 boys. In 1949 they only registered 60 boys. So,

you see, it is not necessary to have this registration. The situation is just this:

Like everybody else, I want to protect our country. We love our country and want to do the thing that is right and just for it. But we have a Military Establishment started here in this country now that is costing the people of this country about \$14,000,000,000 a year. This means about \$40,000,000 a day, or \$1,700,000 an hour to run this Military Establishment of ours. Besides you spent last year \$1,400,000,000 to arm other countries.

If we are a peace-loving Nation, as we say we are, and if we want to have peace in this country, do you think the way we are handling affairs not only in our own Nation but arming all the world is the right way to get peace? I do not. When you build up a great war machine such as we are building up today in this country, with all the people that are in the Army wanting to make it larger and larger because more men want to wear stars on their shoulders, the larger we get the armed services the more four-star generals we are going to have. We have too many men today in the Navy and the Army and the Air Force who want to get those decorations on their shoulder straps. But how do they get them? At the cost of the taxpayers, the American people, to the extent that it is almost getting to be a burden that we will not be able to stand. If you want peace—try to get it—do not try to build up such a tremendous war machine.

Look what Germany did when she started to build up a great war machine. It is all over now. She built it up and built it up, and when she got ready to strike she struck. What did they do? They took in a lot of the countries of Europe, and the first thing you knew, these countries of Europe joined with them because they thought they were going to win a war over there. They lost it. You are doing the same thing today.

We say we want peace and we talk about peace, but you are certainly not using the right effort to get it. If you are afraid of some nation, and we all are, and we talk about it every day, and I have no trust in them at all—it would not make any difference, if I had some disagreement with an individual I would want to go to that individual and try to see if we could not come to some understanding. I would send commission after commission, if it was necessary, to talk to him before I would go to war. It is just like a lawsuit. I got into a lawsuit once on account of an automobile accident, because I wanted to win it, and I won it, but I lost because I won it. The expenses were more than I received. It is the same thing when you get into war. You have never won a war and won anything. Look at the wars we have gone into in the last few years in this generation. Have you won anything? No. You are worse off today because you got into them than you ever were in all the history of America, and we are going to be worse off for years and years to come.

This is no way to handle this situation. I hope you will defeat this proposal and that we will not register these boys, because many of the boys that register feel

as if they are going to have to give up some vocation or avocation that they want to get started in.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Will the gentleman from Illinois give me 1 minute? He used some of my time.

Mr. VINSON. I yield 1 minute to the gentleman from Pennsylvania, Mr. Chairman.

Mr. RICH. I thank the gentleman. Time is so valuable here in this legislation that you have to beg for a minute of time, when it costs you \$1,400,000 an hour to pay the Army. We ought to talk here for weeks and weeks and months and months and hold this up. If we could hold up payment to our armed services, we would save \$1,400,000 every hour, 24 hours a day. You ought to hold up these expenses for a long time. You have 10,000,000 boys now that are registered and classified, and you are not doing anything with them, yet you want to go on and register and classify a whole lot more.

Did you ever hear anything as dumb as all that? I think this legislation is just out of order, and it has no place in our economy.

Every one of you fellows that are trying to force this legislation through, sit back there and grin at me and laugh at me. Lots of people laugh at me, but I want to tell you, I believe I am doing the right thing for our country. I love my country, and I want to protect it. Keep out of war.

Mr. SHORT. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. SHAFER].

REDS GET GREEN LIGHT

Mr. SHAFER. Mr. Chairman, I take this time to call the attention of the House to what appears to be one of the boldest attempts to influence a grand jury's deliberations by the head of a law enforcement agency in the history of our country. In this morning's press appears a statement by Attorney General J. Howard McGrath which decries the "fantastic stories of infiltration in or capture of our Government by Communists" and ends with this flat assertion:

We know of no Communists in the employ of the Government today.

This clearance of all Government employees is given while a New York Federal grand jury is questioning William W. Remington, a \$10,000 a year Department of Commerce official, on charges that he was a former member of the Communist Party who perjured himself by denying such charges in securing Government employment.

What deduction can we draw from this statement by the Attorney General except that he is exonerating Remington while the grand jury considers his case? What will the grand jurors think when they read this statement by Mr. McGrath? What will the Assistant Attorney General in charge of presenting the Remington case decide is the attitude of his superiors and how best he might further his political fortunes in outlining

the evidence against Remington to the grand jury?

Remington was first named by Elizabeth Bentley, the admitted Soviet spy, when she testified in August 1948, as one of her Government informants. He appeared before a Senate committee and vigorously denied her charges. On the basis of the evidence thus disclosed, a regional loyalty board recommended the dismissal of Remington from his post. He appealed to the Loyalty Review Board, all members of which are appointed by President Truman without the necessity of Senate sanction, and the review board, for reasons never disclosed, reversed the lower board's findings and ordered Remington reinstated with back pay exceeding \$7,000 for the period during which he had been suspended.

Six months ago, investigators of the House Un-American Activities Committee reopened the Remington case and after a long search discovered two witnesses, former members of the Communist Party, who identified Remington as a fellow-Communist when he was a Tennessee Valley Authority employee with them in the late thirties. Remington again swore under oath that he was not a Communist but the Justice Department finally moved into the case and began presenting the evidence to the New York grand jury. The Commerce Department loyalty board also reopened hearings on Remington's fitness for his job.

Can it be possible that the Attorney General is unaware that his Department is prosecuting a Communist holding a high Government post when he states unequivocally that there are no Communists in the Government? Or is this statement a warning to his own employee, now presenting evidence to the grand jury in New York, that an indictment of Remington would embarrass President Truman and the Justice Department which once cleared this employee?

The arrest of Harry Gold, of Philadelphia, as a confederate in espionage with Dr. Klaus Fuchs, the British spy, was made by the FBI last night some hours after Attorney General McGrath spoke at a Washington dinner. Is he so busy these days denying charges of communism in the Government that the former chairman of the Democratic National Committee was also ignorant of this startling development?

There are reliable reports that other arrests will follow this one and the trial may lead to persons now or formerly in the Government. If we find that Fuchs had deals with men in the Government, can we expect Mr. McGrath again to declaim that there are no Communists on the payroll?

Mr. McGrath is the last man in the world who should use the adjective "fantastic" in applying it to those seeking to rid the Government of Reds and homosexuals.

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I have asked for a few minutes of the time of the House on this selective-service bill

to explain its relation to the Reserve programs of the armed forces.

There has been some confusion about this, and the House should know just how this legislation fits into the Reserve programs.

Two years ago, when the 1948 Selective Service Act was passed, all of us expected it to have a tremendous impact on the Reserve and National Guard programs. The act was carefully written so that it would have precisely that effect.

We wrote in the law 2 years ago that after the inductee completed his 21 months of service, he would then have to enter an organized unit and participate in its work for 3 years; or, if an organized unit was not available in his community, he would have to stay in the Unorganized Reserve for 5 years.

We also wrote in a provision for 1-year enlistees. This was a type of universal military training program except that it was on a voluntary basis only and was for 18-year-olds exclusively. After the 18-year-old completed his voluntary 1 year of service, he had to enter an organized unit of the Reserve and participate in its work for 4 years; or, if such a unit were not readily available, he had to stay in an unorganized unit for 6 years.

There were other provisions that affected the Reserves, such as exemption from induction of those in Organized Reserve units on the date of enactment of the act. But those I have mentioned are the principal ones, and all of us expected them to have a powerful effect on the Reserve forces, especially on the Enlisted Reserve where there has been a most serious deficiency.

Now, the law did have an immediate effect on the National Guard and Reserves—but only for so long as inductions continued. Many thousands volunteered for service in Organized Reserve units immediately prior to the enactment of the 1948 law, and many more stayed active in organized units who otherwise might have dropped out through lack of interest. Also, there were over 57,000 1-year enlistees accepted in the three armed forces, and had this program carried through, it would certainly have had a tremendous impact on the Enlisted Reserve.

But two things have happened to frustrate our original expectations.

The first one, we all know about. Inductions were stopped a year ago in January after only 30,000 had been taken into the service. Naturally that removed a great deal of the incentive for many young men to enter the Reserves, and it also sharply reduced the number of men who would have to enter the Reserves after completing their tour of compulsory service.

Then, last fall, the other main source of Enlisted Reserves was dried up.

Now, this latter failure of our plans was due to a change in heart on the part of the Army, and I think that we should put the responsibility where it properly belongs. Not only did the Army fail to implement the 1-year enlistees' program vigorously—taking only 20,700 1-year enlistees out of their authorized total of 110,000—but in the hearings last fall before the Senate Appropriations Commit-

tee on the 1950 military budget, the Army gave the program such feeble support, amounting, in fact, to a kiss of death, that the Senate recommended that no funds be provided for it. As a result the program was terminated by the device of not providing funds for it. This was definitely with the approval of the Army. In my opinion, it constituted a complete reversal of the previous position of the armed forces which had strongly supported this program in 1948.

As a result the 1-year enlistee program has stopped, and only 57,000 enlistees were taken into the program despite the fact that 161,000 were authorized.

Now this bill, which extends the Selective Service Act, relates in this way to these matters involving the Reserves.

In the first place, the bill suspends all 1-year enlistments. As I just mentioned, the program has already stopped, due essentially to service opposition, so the suspension of these enlistments is more or less academic, even though the suspension is necessary as a matter of law.

Then the bill suspends all inductions until and unless the Congress authorizes them by concurrent resolution. Since no inductions are now being made and have not been made in any number in the past 16 months, this, too, is relatively academic at the present time.

Next, the bill suspends short-term enlistments in the Armed Forces.

Well, the fact of the matter is that the Army is not accepting such enlistments now anyway. In my opinion, in refusing to do so it is violating the law, but it does this with the argument that these short-term enlistments were intended to be accepted only during the period inductions were being made. There is little doubt that that was the intent of the law, for the Congress directed acceptance of short-term enlistments in order to reduce the number of inductions that would otherwise be required. Nevertheless, the law is specific that such enlistments shall be accepted, and I hold the opinion that in failing to accept such enlistments, the Army is violating the law.

But the real point is that the post-service Reserve obligation does not now apply to any person now entering the armed forces, since they all must enlist for a minimum of 3 years and hence would have no obligation to join a Reserve unit after discharge from the service. As a result, the suspension of these provisions by the bill actually has no impact on the Reserve forces.

Now, this brings me to the one provision of the bill which definitely does have an impact on the Reserves.

The bill writes in a new section 22 into the Selective Service Act. That section authorizes the President to order into active Federal service, without their consent, the National Guard and the Reserves when the Congress approves the concurrent resolution which also authorizes inductions. Now that has this effect.

Take the Army and the Air Force Reserves first, and the National Guard of those two services. They cannot be ordered into Federal service without

their consent except pursuant to special act of Congress. The wartime authority to do so was repealed by the Congress in July 1947. Since then the President has had no authority to order the Reserves and National Guard into extended Federal service as units, or to order individuals to active duty without their consent for more than 15 days a year. This bill makes it possible for the President to order these Reserve components into Federal service at the same time or before he commences inductions. That is a very important provision. It contributes a great deal to the value of this legislation, because, as the gentleman from Georgia [Mr. VINSON] has pointed out, the first thing that needs to be done to mobilize manpower for the Armed Forces is to order the Guard and Reserves into Federal service and, next, induct civilians to fill up the skeletonized Guard and Reserve units and form other units under the leadership of the trained Reserves.

Now, the situation of the Naval Reserves is entirely different.

Under existing law—the Naval Reserve Act of 1938—the President has authority to order Naval Reserves to active duty without their consent for more than 15 days a year whenever he declares a national emergency or in time of war. In other words, the President can declare a national emergency, whether or not the Congress agrees, and order into service all Naval Reserves. That is existing law. It is not the same situation as confronts Army and Air Force Reserves.

Now, this new section 22 in the committee's bill does not specifically repeal that authority in the Naval Reserve Act. But it does repeal it at least by implication, and I think it is a fair statement that the Armed Services Committee intends that the new section 22 in the Selective Service Act, as proposed in this bill, does repeal the authority of the President to order Naval Reserves to active duty without their consent, exclusively on his own authority, for more than 15 days a year.

So, the impact of this bill on Naval Reserves is very important. It is intended to vest in the Congress, instead of in the President, authority to order Naval Reserves to active duty without their consent for more than 15 days a year.

I mention these matters because, as I mentioned previously, there has been some confusion about the status of the Reserves of the Armed Forces under the terms of this bill. It is evident that for the most part the bill has no impact whatsoever on the civilian components, for the provisions of law suspended by the bill which do pertain to the Reserves are not now being applied, and hence their suspension is largely academic. However, the most important aspect of the bill, insofar as Reserves are concerned, is that provision pertaining to the ordering of Reserves into Federal service when the Congress, by concurrent resolution, declares a national emergency.

I trust that from this summary of the facts in the matter, the Reserves in vari-

ous parts of the country and the Congress generally will clearly understand the existing situation. For my own part I want to say at this time that I very strongly support this bill and consider it absolutely indispensable, under existing world conditions, to a sound national-defense program.

Mr. SHORT. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I voted against the draft bill when it was before the Congress in 1948. I am voting for this measure today because I think it is an excellent one.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I will support this bill. It extends the machinery of the draft for 2 years. It provides for classification but no drafting of a single boy. It leaves with Congress the power to effectuate the draft and only after Congress by concurrent resolution has declared the existence of a national emergency can anyone be drafted.

I am opposed as a matter of principle to the peacetime draft because I think it is inconsistent with our American way of life. A draft, in my opinion, is justified in our democracy only in the face of, and to cope with, a national emergency. Militarism is not in accordance with the American tradition. Regimentation of the people is contrary to democratic principles.

To protect the security of the Nation, this Nation requires a national defense and its strength at any given time must depend upon world conditions, international developments, and the growth of possibilities and probabilities of war. Any informed person must be impressed and disturbed by conditions which presently confront us. A mighty political and military colossus founded in contradiction to democratic ideals, moving ruthlessly by conspiracy, infiltration, and aggression toward world domination, is threatening human freedom and our American democracy. We hope the actions and policies of this great power will not cause us to go to war. We hope that even at this late date in the unveiling of this prospect of tragedy and destruction, it may be possible through strong declarations of policy and possible negotiation with the Kremlin to avoid war.

But we cannot afford to trifle with or gamble with the security and safety of the Nation. We must be adequately prepared for every eventuality. Events are moving fast. We cannot afford to delay in setting up a completely efficient and effective fighting machine for defense of the Nation should war start and for instantaneous offensive action in the event our country should be attacked.

I do not look upon this bill as a recognition that war is inevitable but rather as an indication that we do not propose to find ourselves undefended and unprotected and unable to strike back swiftly should war come. I think we should not abandon our hopes and efforts for peace. There is still much, I believe,

that can be done to try to settle our differences with Russia without bloodshed. But this involves a strongly and clearly defined policy. It involves the submission to Russia of our expressions in favor of peace conditioned upon reduction of world armaments, universal disarmament, effective international control of atomic power, determination of the status and rights of small nations, World War II treaties, the cessation of propaganda and infiltration in foreign states, and other questions which must be settled before a lasting peace can be assured.

Is it too much to ask that the Kremlin agree to abandon its world-wide attack on democracy and its direct efforts to undermine by espionage and conspiracy our own American democracy? Is it too much to ask that this great power cease cold warfare against the free world and join other nations in building a peaceful world? If she does not, can there be real hope for peace, will there be left a chance to avoid war? The answer to these questions are purely speculative, yet they will determine in the end the fate of world peace, law, and order.

If we decide, after further failure to prevail upon the Soviet, that war is inevitable, then this bill will not suffice. In that tragic event we must declare an emergency and mobilize all our forces and resources into a compact unit—capital, labor, agriculture, manpower—all groups and classes of the American body politic united and working in unison to protect the Nation and working and fighting to overwhelm and overcome the enemy.

Let us hope and pray that this will not be necessary, that the Almighty will enable and strengthen us to solve these grave problems and thus spare humanity from the most terrible of all blood baths which will surely leave modern civilization in shambles and erase free institutions from the face of the earth.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. PATTERSON. Mr. Chairman, if the gentleman from Connecticut [Mr. LOEGL], were present he would register his support of the bill.

Mr. VINSON. Mr. Chairman, I yield to the distinguished gentleman from Louisiana [Mr. BROOKS] such time as he may desire.

Mr. BROOKS. Mr. Chairman, "Eternal vigilance is the price of liberty," according to a famous saying which is often quoted. I might add also that sacrifice on the part of the people is necessary to maintain liberty. This bill calls for some sacrifice on the part of our people.

The measure as amended calls for the retention of the Selective Service System as a machine in being for the next 2 years. It provides for the registration of all men coming to the age of 18 years; and it further provides for the classification of these registrants. To accomplish this purpose, the sum of about \$4,000,000 will be expended, largely on personnel to be maintained for this purpose.

This measure provides specifically that no inductions shall take place without the passage of a joint resolution of Congress granting this authority. This

means that no one may be forcibly called into the active service without Congress agreeing that the world situation justifies such action. Every one knows only a serious emergency will cause Congress to act. If therefore this measure upon becoming law will aid in maintaining world peace, it will have accomplished much. It is a small sacrifice on the part of our people for such an important purpose.

On the other hand, the effect of the passage of this measure on the Soviet will be magnetic. It will indicate definitely that our country is not again retreating into a position of isolation. It will serve warning upon Communists everywhere that we have forever abandoned the doctrine of defense by weakness and that we subscribe to that philosophy of freedom by strength—in our Government and our military. This bill will accomplish much at little cost and it should be passed.

Mr. VINSON. Mr. Chairman, we have no further requests for time.

I ask unanimous consent, Mr. Chairman, that the bill be considered as read, be printed in the RECORD at this point, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill is as follows:

Be it enacted, etc., That subsection (b) of section 17 of the Selective Service Act of 1948 (62 Stat. 604) is hereby amended by striking out the words "second anniversary" and substituting therefore the words "fifth anniversary."

The Clerk read as follows:

Committee amendment: Page 1, line 6, strike out "fifth" and insert "fourth."

The amendment was agreed to.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 1, line 6, after the period insert the following:

"Sec. 2. Prohibition against discrimination and segregation. No person inducted pursuant to the provisions of this act shall be discriminated against or segregated because of race, creed, or color."

Mr. POWELL. Mr. Chairman, 6 years ago when I first came to this body I was the first to introduce legislation to abolish discrimination and segregation in the Armed Forces. At that time discrimination and segregation were rampant and rife in all branches of our military service. I have consistently kept up the fight. When this particular bill came before us in 1948 I led the movement that kept the House in session for over 1 week. During the past 6 years we have seen considerable progress, and today in our armed services, in the Coast Guard—which of course is really not a part of the Armed Forces but in time of war is a part of the Navy—and in the Navy, and to a certain extent in the Air Corps, there is but little discrimination and little segregation. In our Army, however, the President of our Nation and the committee which he appointed, whose report I hold in my hand, have come up

against some stubborn opposition. The time has come now for the Congress to act.

The President has issued an order asking for the abolition of segregation and discrimination in the armed services. He appointed a committee, the Fahy committee, a committee on equality of treatment and opportunity in the armed services. That committee has made its report within the past 72 hours. Now the time has come for the Congress of the United States to put into law what the President has stated and what the committee has recommended.

If you will read the report carefully, as I have done, you will find that it is not much more than a statement. It goes into the situation in the Navy and the Air Corps and the Army, but does not make any specific recommendations. It closes in the last paragraph with a very nebulous conclusion, as follows:

That the committee believes that the Army will carry out its recommendations within a relatively short time.

The President said he hoped "in the near future."

I think it is time for the Congress to proceed from where the committee left off on page 63, and to bring to a just conclusion that which the Fahy committee has recommended and that which the Navy is practicing and that which the Air Corps is practicing. We cannot wage a cold war much less a hot one with a Jim Crow army. Regardless of how much money we spend on ECA, if the nations of the world see that we are not practicing democracy at home, they are not going to be bought by the billions of dollars that we spend.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. RICH. You say it is a fact that the Navy is practicing it and the Air Corps is practicing it. You can get this by education. What are you trying to force it on the people for?

Mr. POWELL. If we can get things by education—

Mr. RICH. Let me finish my statement.

Mr. POWELL. I do not yield further.

Mr. RICH. Let me finish my statement.

Mr. POWELL. I yielded for a question. If you want to state a question, I will yield.

Mr. RICH. I asked you this question. I said if the Navy is doing it and the Air Corps is doing it, why do you not let the thing alone, instead of trying to force people to do something that they do not want to do? If you can educate them to it, you accomplish it in the right manner and in the right spirit.

Mr. POWELL. That is a question. Thank you.

Now, answering your statement, I would like to say that if we believe in education only, we might as well close the doors of Congress and go home for we are here to legislate not educate.

Mr. RICH. I think that would be a good thing to do.

Mr. POWELL. I agree for some it would. We are here to do that which

education has not done. We are here to implement education. We are here to speed up the time table of progress. If we are going to leave it all to education, then we would not have any of it left for legislation. I believe the time has arrived for us to implement the educational processes which have been going along so well, because there is nothing further which can be done in the field of education. The President has spoken. The Fahy Committee report has been written, and now it is up to the Congress to act. Unless we act now I am afraid we stand guilty of hypocrisy.

When we had the battle of the Belgian Bulge, Negro men who had been restricted to certain menial capacities were called up out of transportation and out of porter's work and given guns. Black and white stood together and fought for democracy. When victory came the Negroes were left in Europe and the whites paraded on Fifth Avenue. Is that democracy? Now, in peacetime, I ask that we here will do that which at least we owe to the citizens of this Nation, to our conscience and to the world, give men the right to serve side by side with their fellow citizens in all branches of our services.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, the limitation applies just on this amendment?

Mr. VINSON. On this amendment.

Mr. MILLER of Nebraska. Not on amendments to follow.

Mr. VINSON. On the Powell amendment, the pending amendment, and all amendments thereto. It does not apply to the gentleman's amendment.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I rise in support of the Powell amendment. I want to be perfectly frank with the House. I am opposed to the pending bill and will vote against it. I deem this bill to be a device by which our American youth will be conscripted. I oppose this bill because I believe that war is not inevitable. I do not believe that war is the only solution of the world's problems. I know as you deep down in your hearts know that this legislation is not in the defense of the American people. It is in the interest of a cold war policy which is being waged not in the interest of the American worker and farmer; but in the interest of the profit-hungry Wall Street trusts who for profit and more profit would plunge this world into a war that nobody will win and which will destroy civilization itself. I

favor defense. This is not defense; it is part of an insane war policy promoted at the expense of the people's needs and for the profit of a selfish few who are in full control of our foreign policy; I oppose this bill because it implements a policy of despair and ruin.

However, I have a perfect right to make every effort within my power to try and perfect any legislation, even though I may be opposed to that legislation, especially when it seems obvious that that proposed legislation will be adopted. I feel completely honest with myself and with the House in supporting this amendment even though I oppose the legislation to which the amendment is offered.

It seems to me there has been so much hypocrisy about this whole question that the best we can do here now is simply to expose the hypocrites. This is a Congress that has done nothing on civil rights; this is a House that has gone backwards on civil rights; it is a House which went so far as to nullify the civil-service rights of certain Negro employees of the Government Bureau of Engraving and Printing acquired in a civil-service examination.

This problem of discrimination and segregation in the armed services could be solved by one stroke of the pen. President Truman, who speaks so much about civil rights could, as Commander in Chief of the armed services of this country, eliminate segregation and every form of discrimination in the armed services by simply signing an order. Yet, only the other day in commenting on a meaningless report filed by his own committee, President Truman speaks of eliminating discrimination in the armed services in the reasonably near future. I say why not pick up your pen, Mr. President, and do it now.

I want to state right here and now that any talk about equal opportunity in the armed services must be considered in the light of practice. What is the practice? The so-called equal opportunity, equal but separate opportunity, negates the idea of equality completely. It is language that is used by those who are opposed to every concept of equality. It is the dodge used by the advocates of white supremacy. Equal and separate opportunity. This is segregation. This is discrimination; and this discrimination exists throughout the Armed Forces. Here is an opportunity to declare that it shall cease and to direct the commanders of our armed forces to have this practice—un-American, yes, subversive, practice—cease. Here is an opportunity for Congress to live up to the obligations that it assumed, that is the majority of them, when they promised the enactment of civil-rights legislation in the last campaign. I cannot, of course, mention the other body by name, but I think it ill behooves the President any longer to talk about civil rights when 26 members of his own party in the other body, of the majority party, of the Democratic Party—

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

Mr. MARCANTONIO. Of another body located somewhere in the United States of America—

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. This is not being taken out of my time, is it?

The CHAIRMAN. No; it is not being taken out of the gentleman's time. The gentleman from Michigan will state his point of order.

Mr. HOFFMAN of Michigan. My point of order, Mr. Chairman, is that the gentleman from New York has referred directly to 26 Members of the other body and the action they took. I make the point that such reference is out of order.

The CHAIRMAN. Under the rules the gentleman may not refer to Members of the other body.

The gentleman will proceed in order.

Mr. MARCANTONIO. Mr. Chairman, somewhere, somehow, in a certain country located in the Western Hemisphere, 26 members of the Democratic Party voted against cloture and only 19 voted for it, when cloture was being invoked in order to enact FEPC. Now, I think you all know what I mean; I think you are all over 21 years old.

You also know what I mean when I speak of hypocrisy, fraud, and double talk of the Democratic Party in relation to civil rights.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as a substitute for the amendment offered by Mr. POWELL. Page 1, after line 6, insert section 2 and renumber the succeeding sections:

"Sec. 2. That section 1 of the Selective Service Act of 1948 is amended by adding a new subsection (f) as follows:

"The Congress further declares that the obligations and privileges of serving in the armed forces and the reserve components thereof shall be without discrimination in selection or service, or segregation on account of race, creed, color, or national origin."

Mr. JAVITS. Mr. Chairman, I have not proposed this substitute in any sense of opposition to my distinguished colleague from New York. On the contrary, I shall support his original amendment. I hope that it carries.

I propose my substitute only for two reasons; first, to keep faith with myself and the many, many people who supported my position before the Armed Services Committee when I testified in support of this very amendment, which has just been read in text. Second, to give the committee its choice so that it may follow the text of the act and make a declaration of policy. The effect of the amendment of my colleague from New York [Mr. POWELL] and of my substitute will be the same, but my substitute may satisfy some Members who wish to stay within the pattern of the act's declarations.

I would like to call the attention of the committee to the fact that the chairman of the Committee on the Armed Services said in connection with debate on the rule that subsection 1 (c) already contains a provision against discrimination. I regret to disagree with the distinguished chairman. What that paragraph says is:

The Congress further declares that in a free society the obligations and privileges of serving in the Armed Forces and the Reserve components thereof should be shared generally, in accordance with a system of selection which is fair and just, and which is consistent with the maintenance of an effective national economy.

I submit that there is nothing in that relating to discrimination or segregation.

Mr. VINSON. Mr. Chairman, will gentleman yield?

Mr. JAVITS. I yield to the gentleman from Georgia.

Mr. VINSON. It so happened that I had the wrong place in the act. I call the gentleman's attention to section 5 (a):

That in the selection of persons for training and service under this title, and in the interpretation and execution of the provisions of this title, there shall be no discrimination against any person on account of race or color.

That is the law today.

Mr. JAVITS. That was in the 1940 act and I think the chairman has correctly stated the nub of the question before us, which is the issue of segregation. The question is whether the House will or will not declare it a policy that there will be no segregated units in the armed services. That is the single question before us.

Now, the reason why the House should in my view pass this amendment in either form, whether the House chooses that of my colleague from New York [Mr. POWELL], or mine, is this: It is true that the President has appointed a distinguished committee, and, incidentally, that was not done until the middle of 1948 when an enormous amount of pressure had been put on the President and the military authorities in order to take action of this character.

The President has declared his position as Commander in Chief in a directive for equality of treatment and opportunity, but the Congress has not declared its position. I believe that when the Congress is passing a draft act which creates a citizens' army, the Congress ought to be honest enough with itself to declare its position on this key and critical issue of our time so that at no time could anyone charge that they had discretion as to how to proceed or that it is a matter for Executive discretion entirely or discretion of the Commander in Chief. The Congress will have spoken and the Executive will enforce a policy of nonsegregation.

If the argument is made that it is unnecessary to say this, I reply that because of the widespread demand of Americans, regardless of color, that they want this done, if there is no harm in doing it, the Congress should do it.

Furthermore, it is very clear from the Fahy report—the President's commission—that the job is by no means com-

plete. There still exists in the Army, according to the Fahy report, a very large number of segregated units—that is, Negro units. As a matter of fact, the Fahy report, and I refer to page 62, condones that and says: "and the committee did not feel that it could reasonably recommend that all of these Negro units be broken up all at once."

In the Air Force, 25 percent of the Negro soldiers are still in segregated units.

Mr. Chairman, there is no argument we give the Communist propagandists calumniating the United States on the radio and the platform daily from behind the iron curtain and in most countries, which is better grist for their mill than segregation in our armed forces. Here is an anticonstitutional principle concerning men whose duty it is to die to defend the Constitution and our freedoms. This is an opportunity the Committee should seize to once and for all by mandate of Congress; end segregation in the armed forces by passing one of these amendments.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. RANKIN. I make the point of order that this is nothing in the world but a Communist amendment, and that the ones who are pushing it are not trying to help the people they represent. It is nothing in the world but a Communist movement to try to disturb the Armed Forces of America.

The CHAIRMAN. The Chair does not concede that to be a point of order.

Mr. RANKIN. I was afraid of that.

Mr. POWELL. Mr. Chairman, is that going to be in the RECORD?

The CHAIRMAN. Yes; under the rules it will.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

Mr. VINSON. Mr. Chairman, I ask that the Members who were on their feet be recognized now to address the Committee on the amendment.

The CHAIRMAN. The gentleman from Florida [Mr. BENNETT] is recognized for 4 minutes.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Florida yield for a parliamentary inquiry?

Mr. BENNETT of Florida. No, Mr. Chairman.

The CHAIRMAN. The gentleman declines to yield.

Mr. POWELL. Mr. Chairman, a point of personal privilege.

The CHAIRMAN. A point of personal privilege may not be raised in the Committee of the Whole.

Mr. POWELL. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. POWELL. I make the point of order, Mr. Chairman, that the remarks of the gentleman from Mississippi concerning my amendment were derogatory, and I ask that his words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. Under the rules the gentleman from Mississippi will take his seat as well as the gentleman from New York.

Mr. RANKIN. Mr. Chairman, the gentleman is entirely too late for that.

The CHAIRMAN. The Chair must point out that the gentleman from New York was on his feet at the time.

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. I understand that the Chair ruled that the point of order made by the gentleman from Mississippi was not a point of order.

The CHAIRMAN. That is what the Chair held.

Mr. HARRIS. Therefore there are no words to be taken down, as I understand.

The CHAIRMAN. The Chair rules that the gentleman from New York has the right to ask that the words to which he objects be taken down.

Mr. HARRIS. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. I understood the Chair to rule that the gentleman from Mississippi was not in order in making the point of order, and therefore the words of the gentleman from Mississippi would not appear in the RECORD.

The CHAIRMAN. The gentleman from Mississippi made a point of order which the Chair ruled upon. The Chair did not recognize it as a point of order.

Mr. HARRIS. Therefore the remarks will not appear in the RECORD, and consequently there are no words to be taken down.

The CHAIRMAN. The remarks uttered by the gentleman from Mississippi, as the matter now stands, will appear in the RECORD. They are now objected to by the gentleman from New York, who demands that the words be taken down. The Clerk will report the words objected to.

Mr. POWELL. Mr. Chairman, if my memory is correct, the phrase used was that it was a Communist amendment. Inasmuch as he was describing the amendment and not the author, I withdraw my point of order.

Mr. RANKIN. Mr. Chairman, I stand by my statement.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I have a substitute for the Powell amendment. I realize that it will not be in order for me to offer it at this moment, but when the Javits amendment is defeated, if it is, I intend to offer it. That is the reason I have asked for time.

The substitute states that no order for or against segregation in the armed services shall be effective until the Joint Chiefs of Staff have determined that such order is in the best interest of the national defense.

We are supposed to be today talking about the national defense of our country. We are not supposed to be here today laying out social programs or social

plans. We are supposed to be protecting our country.

I think when we are talking about legislation of that kind we ought to be talking about what is going to win a war and what is going to preserve our security in this country. I personally believe that the orders and regulations on the elimination of segregation that have so far come down from the executive branch are not in the best interest of the defense of our country. I am very much alarmed about some of them. I think them not to be in the best interest of our country's national defense. The question raised in my amendment is one of segregation, not one of equality of opportunity.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the distinguished gentleman from Georgia.

Mr. VINSON. How can you prohibit the commander in chief of the services from issuing an order? How can you prohibit him from telling the Joint Chiefs of Staff what orders shall be issued and can be issued in his name?

The gentleman's amendment would prevent the commander in chief from issuing an order unless it is approved by the Joint Chiefs of Staff.

Mr. BENNETT of Florida. I know that the gentleman is a very able lawyer and legislator, and has been over a long period of time. But I have watched the Supreme Court decisions for a long period of time myself. I do not want to pass up this opportunity to correct something which I think is endangering our national security and will endanger it further in the future if we do not take care of the situation. I am willing to leave this decision on constitutionality to the Supreme Court of the United States. That is all I have to say on the subject.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman is not questioning the right of the Chief Executive, the gentleman is looking out for the interests of his country and the welfare of the Nation.

Mr. BENNETT of Florida. I think that is my duty.

Mr. RANKIN. He is trying to protect this country in case we do have a conflict with another nation.

Mr. VINSON. The gentleman's amendment would have the effect that no order issued by the Commander in Chief could go into effect until it is approved by the Joint Chiefs of Staff. I say that the Commander in Chief under the Constitution is the Commander in Chief, and he is superior in issuing orders to the Joint Chiefs of Staff. As long as Congress gives the Commander in Chief something to command, he is in command, he is the chief. The gentleman's amendment inverts that. The gentleman would say that the President cannot issue an order relating to segregation until it has been passed on by the Joint Chiefs of Staff.

Mr. BENNETT of Florida. The Commander in Chief of the armed forces

of the United States has the authority to deal with the national defense of our country, but in my opinion this matter of abolishing segregation in the armed services is not conducive to it.

Mr. VINSON. I agree with the gentleman thoroughly in regard to that. There is no dispute between him and me on that.

Mr. BENNETT of Florida. I understand. I feel that it is my responsibility to do this, because I think it is endangering our national defense to pursue this course, which, in my opinion, will not be helpful to strengthening our country in time of war. I am doing this without any feeling of ill will whatsoever.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DOLLINGER].

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I have asked the gentleman to yield now to clarify a confusing situation. The gentleman from New York [Mr. JAVITS] has offered a substitute. The parliamentary situation, as I understand it, is that if the gentleman's substitute is adopted, that eliminates the amendment offered by the gentleman from New York [Mr. POWELL].

Now, what does that mean? The gentleman from New York [Mr. JAVITS] is offering a mere toothless gesture, a mere declaration of policy as a substitute for a real amendment. I think the proponents of civil-rights legislation who want to fight segregation should vote down the substitute because it is meaningless and because if adopted it would vitiate and nullify the amendment offered by the gentleman from New York [Mr. POWELL], which is an amendment that goes to the very heart of segregation in the armed forces.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Just a moment, the gentleman from New York [Mr. DOLLINGER] has yielded to me.

Mr. RANKIN. I will make a point of order.

Mr. MARCANTONIO. You can make a million points of order. You are not bamboozling me, Mister, I have the floor. The gentleman yielded to me.

Mr. RANKIN. Go ahead.

Mr. MARCANTONIO. Now then, Mr. Chairman, I want to point out the disastrous effect and confusion that the substitute that has been offered by the gentleman from New York [Mr. JAVITS] has caused to those of us who are trying to get some civil-rights legislation on this bill. Our only recourse is to vote down the Javits substitute and vote up the Powell amendment.

Mr. DOLLINGER. Mr. Chairman, I only asked for the floor at this time to make certain that my amendment would be considered in the proper course and if so, I yield back the balance of my time as I did not mean to speak on the particular amendment at this time.

Mr. Chairman, will I be recognized at the proper time on my amendment?

The CHAIRMAN. The gentleman will be recognized at the proper time.

The Chair recognizes the gentleman from Georgia [Mr. VINSON] to close debate.

Mr. VINSON. Mr. Chairman, this type of amendment is not new. Every time we have any bills relating to the Armed Services and there is an opportunity to raise the issue of social reforms, these amendments are offered. I am satisfied the House will reject both of these amendments. The House certainly should reject the amendment offered by the gentleman from New York [Mr. JAVITS] and by all means the amendment offered by the gentleman from New York [Mr. POWELL]. Let me give you some statistics to show what is going on. This is rather important.

There are 55,732 Negroes in the Army and 1,317 of them are officers. There are 14,782 Negroes in the Navy and 16 of them are officers. There are 25,702 Negroes in the Air Force; 351 of them are officers. There are 1,531 Negroes in the Marine Corps; there are no officers in the Marine Corps. Two years ago there were 400 separate Negro units in the Army; today there are only 305. One year ago in the Air Force there were 118; today there are but 30. What has brought that about? It was brought about because the President issued an Executive order in 1944 to this effect:

It is hereby declared to be the policy of the President that there shall be equality of treatment and opportunity for all persons in the Armed Services without regard to race, color, religion, or national origin. This policy is to be put into effect as rapidly as possible, having due regard to the time required to effectuate any necessary change without impairing efficiency or morale.

Following that the President appointed a committee. On that committee were two distinguished Negro members. This committee inquired thoroughly into all of this, and has just recently submitted its report. As I said, the committee had as members two distinguished Negro citizens.

Please listen to this, because this is a complete answer to the problem and it is a complete answer to the gentleman from New York [Mr. JAVITS]. If you will leave this question alone and quit emphasizing the social aspects of it in the military, it will adjust itself. The President's committee's report was submitted, and says in part as follows:

As this report is submitted, it is too early to appraise the effect of the Army's new policy. However, the committee firmly believes that as the Army carries out the committee's recommendations, which it has adopted, then within a relatively short time Negro soldiers will enjoy complete equality of treatment and opportunity in the Army.

This is the statement of the President's committee with two distinguished Negro members who are not impractical in this matter. They are satisfied with what is going on. I say, when you legislate for the military, legislate from a military standpoint, and not on the ground of social reforms or social benefits. If, in the military, we put social reforms first, military considerations second, we will no longer have a decent fighting machine. I hope both of these amendments will be rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from New York [Mr. POWELL].

The substitute amendment was rejected.

Mr. BENNETT of Florida. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida, as a substitute for the amendment offered by Mr. POWELL: Strike out Congressman POWELL's amendment and substitute the following:

"No order for or against segregation in the armed services shall be effective until the Joint Chiefs of Staff shall have determined that such order is in the best interest of the national defense."

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. MARCANTONIO), there were—ayes 23, noes 107.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 7, insert:

"Sec. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new sections:

"SUSPENSION OF AUTHORITY

"Sec. 21. Unless the Congress after the date of enactment of the Selective Service Extension Act of 1950 has by concurrent resolution declared that a national emergency exists which requires an increase in the armed strength of the United States—

"(1) no person shall be inducted or ordered to report for induction into the armed forces of the United States under this title;

"(2) no person shall be offered an opportunity or be permitted to enlist in the Regular Army under section 4 (c) (1) (relating to 21-month enlistments);

"(3) no enlisted member of any Reserve component of the armed forces may apply under section 4 (c) (2) for a period of service, and no application under such section shall be accepted;

"(4) no enlistment for a period of 1 year shall be accepted under section 4 (g);

"(5) no person shall without his consent be ordered into the active service under section 7; and

"(6) no authority or power shall be exercised under section 18 (relating to utilization of industry).

"ACTIVE SERVICE FOR MEMBERS OF THE RESERVE COMPONENTS

"Sec. 22. Upon approval by the Congress of a concurrent resolution pursuant to section 21 of this title, and subject to the limitations imposed by section 2 of this title, the President shall be authorized to order into the active military or naval service of the United States for a period of not to exceed 21 consecutive months, with or without their consent, any or all members and units of any or all Reserve components of the armed forces of the United States and retired personnel of the Regular armed forces: *Provided*, That any member of such Reserve components under the age of 19 years so ordered into the active military or naval service shall upon his own application or that of his parents or guardian be separated from such service under honorable conditions."

"Sec. 3. This act may be cited as the 'Selective Service Extension Act of 1950'."

Mr. VINSON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON to the committee amendment:

On page 2, line 3, strike "Selective Service Extension Act" and insert "Manpower Registration Act."

On page 3, lines 17 and 18, strike "Selective Service Extension Act" and insert "Manpower Registration Act."

Mr. VINSON. Mr. Chairman, as I announced when I addressed the Committee at the beginning of the consideration of this bill, in view of the fact that the day-by-day work under this bill is nothing but registration and classification, a proper title should be given it. Therefore, we will name it the Manpower Registration Act.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. MILLER of Nebraska. Should not the gentleman also amend the title of the bill?

Mr. VINSON. Yes; we will do that when we get into the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. MILLER of Nebraska. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska to the committee amendment: On page 2, line 9, after the semicolon insert the following: "*Provided*, That registration and classification under the provisions of this act shall not become operative until January 24, 1951, and may be delayed further if Congress by affirmative action shall so determine."

Mr. MILLER of Nebraska. Mr. Chairman, the purpose of this amendment is plain. It simply puts off the registration and classification, under this act, until January 24, 1951. I offer this amendment because at this time, under previous legislation, there are about 10,000,000 men registered. The Selective Service Director tells me that 9,000,000 are also classified. It would seem that from these 9,000,000 men, there would be a reservoir of at least 5,000,000 who would be physically qualified for immediate service. In other words, Mr. Chairman, there is no urgent need for the continuation of registration and classification of men who now become 18 years of age.

In case of war, it is possible for the military to take in only about 300,000 men a month. Now, with a reservoir of 5,000,000 men available, it can be readily seen that it would take at least 15 months to induct the men, who are already classified.

The amendment provides that registration and classification shall not become operative until January 24, 1951, and may be delayed further if Congress, by affirmative action, shall so determine.

I am also of the opinion that if we adopt this amendment it would be a means of relieving international tensions. Within the next few days Trygve

Lie, Secretary-General of the United Nations, will return to this country for conferences with the President and top officials of Government. It is my understanding he is bringing a proposal to end the cold war. Secretary of State Acheson will be speaking to us on May 31. Perhaps it would be well to wait with the passage of this legislation until we have had a report from these men.

It is so unfortunate, Mr. Chairman, that our Nation spends billions of dollars for a fighting war and a mere pittance to find a way for a just and lasting peace. The heart of the nations of the world, particularly the women, cry out for peace. We have made very few solid determined efforts to find a way to peace. It has been my experience that nations which prepare for war, sooner or later get what they prepare for. I am not a pacifist. I shall vote for this measure, with a great deal of reluctance.

I realize the bill is now amended so that no inductions can be made until there is affirmative action by Congress. It would seem well if Members of Congress could go home and talk to their constituents and, when they come back in the first session of the Eighty-second Congress, they could well determine what the world situation might be at that time, and if there is a necessity for a continuing registration and classification, it could easily be put into effect. In fact, under my amendment, it would go into effect on January 24, 1951, unless there was action by Congress. No harm could be done in putting off the registration and the classification because we already have a large reservoir of men available for immediate service.

We were told by the Commander in Chief, Mr. Truman, that things are better now than they have been at any time since 1946. I note that his military advisers have not agreed with their Commander in Chief. I note also that Secretary of State Acheson, when he recently appeared before the Foreign Affairs Committee, said things were bad and I also realize that the gentleman in the other body, who is chairman of the Armed Services Committee and a top Democratic adviser to the President, said recently, "It will be remarkable if the United States can avoid war with Russia."

He and the military advisers may be correct. It is quite apparent that the President does not get his information from the same source as his advisers. It is unfortunate that they do not because the lack of unity causes great confusion among the citizens.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. BROOKS. I think the crux of the whole problem is to have available immediate registration. In other words, let the boy register when he reaches 18 years of age. If you suspend that registration then you have no preparation at all. He registers, gives his name, his age, and his address, takes his physical examination, and then is available in any emergency, but if you do not have your registration then maybe you will not have them ready at all.

Mr. MILLER of Nebraska. To put this off until January 24 will not hurt anything at all. If Congress then does not take affirmative action the registration proceeds.

Mr. BROOKS. Affirmative action can be taken under the bill as it now stands.

Mr. MILLER of Nebraska. I am just pointing out the facts and calling attention to the huge reservoir of registrants we now have and the rate at which they could be absorbed and processed into the Armed Forces in case of emergency. To put this off until the 24th of January would seem to me to be a step toward peace rather than a step toward war. There is no urgency about drafting these men now; we have this huge reservoir. I would say that in the interest of international peace we should await the report of Trygve Lie and Secretary of State Acheson.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from New York.

Mr. COLE of New York. The practical effect of the amendment offered by the gentleman would be to postpone any registration for approximately 6 months, but still maintain the expense of the administration. The Government would spend approximately four to five million dollars in that period of 6 months and derive no benefit in return whatever?

Mr. MILLER of Nebraska. Well, it would not be necessary to spend that much money. It would keep the machinery in shape, it would not be in full operation. I am doing this as a step toward peace instead of toward war. I think it would help relieve the international tensions that are evident on the horizon now.

I again repeat, Mr. Chairman, the hearts of the world cry for peace. I cannot feel that our country has furnished a very forceful leadership with the idea that peace is possible. All of the moves by our military men have been of hostile nature. It is pretty hard to develop real peace moves when we have air bases and military forces stationed in the four corners of the world. How would this country feel if Russia had bases in Canada and Mexico. I know that Russia cannot be trusted. I am not for appeasing that country. I am also for full preparedness, as far as we are concerned. I voted for funds to supply more aircraft with technical and scientific measures for our protection.

I am, however, concerned that no moneys are being spent to explore methods which might bring a permanent peace to the world. I think we ought to do those things which will bring on a brighter picture for peace. We cannot continue to waste our resources and spend as much money as we are, being armed to the teeth as well as arming the rest of the nations who are supposed to be on our side, and stay economically sound at home.

I trust the membership will give this amendment careful thought. It can do no harm. We have a reservoir of men now available. It might be just that little step needed to give the world some

hope that peace is around the corner. It would go far in relieving the present international tensions.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I earnestly hope the Committee will reject the amendment offered by the gentleman from Nebraska [Mr. MILLER]. The question propounded by the gentleman from New York [Mr. COLE] to the gentleman from Nebraska [Mr. MILLER] clearly shows the fallacy of the amendment.

I ask that the amendment be defeated. Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I join with the distinguished gentleman from Georgia, chairman of the Committee on Armed Services, in urging that this amendment be defeated. I have sat here all day under restraint and as a matter of conscience I could not remain silent without expressing my views on this bill. This particular amendment gives me the proper conduit by and through which to express the views I have about this bill.

I have all of the volumes of the writings of John Quincy Adams. I was reading them the other night. They are very, very interesting. I jotted down one thing that Adams wrote in 1813 when we were at war with England. He said in a letter to another person:

No nation can enjoy freedom and independence without being always prepared to defend them by force of arms.

In talking about the temper that existed in those days and in the minds of the people, he made another statement. He was speaking about the generation of that day, the Americans of that day. He said:

The temper that will honor us as a nation is if we conduct ourselves in the present world crisis in a manner that our posterity hereafter will look back with pride.

Those are rather dramatic words coming out of the past. Other Americans have said that in one way or another. They have said practically the same things. Down through the ages comes the clarion call of great men and women of the past, not only of this country but of other countries, who fought for the dignity of the individual, the progress of mankind, and the establishment of government as the servant of the people, a government of law, not of men. Where law ceases, tyranny begins.

I have in mind those patriotic words of Patrick Henry: "Give me liberty or give me death." When we pause to interpret the meaning of those words we get the real significance of their impact.

Mr. Chairman, I am reluctantly going to vote for this bill—very reluctantly going to vote for it. I want the RECORD to show my feelings. At a time when we need strength and a manifestation of national intestinal fortitude we have a bill which provides for registration, an extension for 2 years, yet nothing can be done, not even an alternative provision for the President of the United States to issue a proclamation if a national emergency arose unless by concurrent action on the part of the Con-

gress. I can understand a congressional mandate if it were an alternative proposition of the one man whose constituency is the entire country, the President of the United States, having the power to issue a proclamation for induction in case of a national emergency. There is not a provision in case Congress is in recess or in adjournment.

Those are some of the thoughts that run through my mind, and my mind goes back to the Napoleonic days in Europe when John Quincy Adams, who gave a great part of his life to the service of our country, and who was at one time the only American Minister in all of Europe, uttered these words:

No nation can enjoy freedom and independence without being always prepared to defend them by force of arms.

That has left a forcible impact and impression upon my mind.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to my dear friend from Kentucky.

Mr. CHELF. Was it not George Washington, the first President, who said that the most effective means of preserving the peace was to be prepared for war? I agree with the gentleman from Massachusetts that I, too, shall support this bill reluctantly, because, like the gentleman himself, I would like to have seen a stronger bill.

Mr. McCORMACK. That is correct, and also other great Americans in the past have substantially made the same statement, using other language and other words and what my valued friend the gentleman from Kentucky [Mr. CHELF] has just said is consistent with his great record in the Congress. He is one of the ablest and most courageous Members of this body with whom I have ever served. His people are justified in being proud of FRANK CHELF.

So I am voting for this bill. It represents something, but not the manifestation of national strength and character that I would like to see. My words are not to be construed as criticism; they are an expression of my own personal opinion. I would have loved to have a bill before us calling for a straight extension of 2 years and for an induction. This is a time for strength, and because the bill reported out of the committee does represent at least a step on the side of strength—and because of that—I am supporting it. I recognize the difficulties. I appreciate the action taken by the committee and I hope the amendment offered by my good friend from Nebraska, whom I like and respect, and whose views I respect, will not be accepted, because it then makes this slight step forward in strength completely innocuous.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. MILLER] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER to the committee amendment:

Page 3, after line 16, insert the following:

"PROVISIONS AGAINST DISCRIMINATION AND SEGREGATION"

"SEC. 23. (a) For the purposes of this section—

"(1) The term 'person' includes an individual, partnership, association, corporation, legal representative, trustee, trustee in bankruptcy, receiver, public official, public employee, or officer of the armed forces.

"(2) The term 'national origin' includes ancestry.

"(3) The term 'place of public accommodation, resort, or amusement' includes inns, taverns, roadhouses, hotels, whether conducted for the entertainment of transient guests or for the accommodation of those seeking health, recreation or rest, or restaurant or eating houses, or any place where food is sold for consumption on the premises; buffets, saloons, barrooms, or any store, park, or enclosure where spirituous or malt liquors are sold; ice-cream parlors, confectioneries, soda fountains, and all stores where ice cream, ice, and fruit derivatives or preparations, or where beverages of any kind are retailed for consumption on the premises; retail stores and establishments, dispensaries, clinics, hospitals, bathhouses, swimming pools, barber shops, beauty parlors, theaters, motion-picture houses; airdromes, roof gardens, music halls, race courses, skating rinks, amusement and recreation parks, fairs, bowling alleys, golf courses, gymnasiums, shooting galleries, billiard and pool parlors, public libraries, and all educational institutions under the supervision of the United States Commissioner of Education or his department or any educational institution or facility supported in whole or in part by Federal funds; garages, all public conveyances operated on land, water, or in the air as well as the stations or terminals thereof; public halls or public places of assembly.

"(b) It shall be unlawful discrimination or segregation practice—

"(1) For any public official, public employee, or officer of the armed forces to require or demand that quotas for white and colored be maintained for the induction of draftees or that separate units be maintained by the armed forces for members of the armed forces.

"(2) For any employer or employee to have other, different, or separate accommodations, or to require that draftees or members of the armed forces use other, different, and separate accommodations while traveling on busses, trains, boats, or planes, or any other means of transportation.

"(3) For any individual, acting individually or in concert, to assault, attack, lynch, or to attempt to assault, attack, or lynch any draftee or a member of the Armed Forces.

"(4) For any public official or employee or any officer of the Armed Forces to require or order any draftee or member of the Armed Forces to train or serve in any State with prodiscrimination or prosegregation statutes.

"(5) For any person in completing the terms of a contract which has been entered into under the authority of or to fulfill the purposes of this act to deny employment or equality of employment to any person by reason of race, color, creed, or national origin.

"(6) For any person to discharge, expel, or otherwise discriminate against any employee because such employee has opposed any of the practices made unlawful by this section or because such employee has testified or assisted in any proceeding under this section.

"(7) For any person to deny to any draftee or member of the Armed Forces the full and

equal accommodations, advantages, facilities, or privileges of any place of public accommodation, resort, or amusement, subject only to the conditions and limitations established by law and applicable alike to all persons.

"(8) For any person being the owner, lessee, proprietor, manager, superintendent, agent, or employee of any place of public accommodation, resort, or amusement to publish, circulate, issue, display, post, or mail any written or printed communication, notice, or advertisement to the effect that any of the accommodations, advantages, facilities, or privileges of such place will be refused, withheld from, or denied to any draftee or any member of the armed forces by reason of his race, color, creed, or national origin.

"(9) For any person to aid, abet, incite, compel, or coerce the doing of, or attempting to do, any of the acts made unlawful by this section.

"(c) For the purposes of this section, the production of any written or printed communication, notice, or advertisement purporting (1) to relate to any place of public accommodation, resort, or amusement and (2) to have been made by any person being the owner, lessee, proprietor, superintendent, or manager thereof shall be presumptive evidence in any civil or criminal action that such communication, notice, or advertisement was authorized by such person.

"(d) Any person who violates any provision of this section shall be liable to a penalty of not less than \$500 nor more than \$1,000 for each such violation, to be recovered by the person aggrieved thereby or by any person to whom such aggrieved person assigns his rights. The rights of such aggrieved person under this section shall be in addition to any common-law rights or rights arising by reason of any other law.

"(e) Any corporation, association, or group which is exempt from payment of any Federal tax by reason of any act of Congress, and which violates any provision of this section, shall not thereafter be exempt from payment of such tax.

"(f) Draftees or any members of the armed forces shall have the right to demand from a United States District Court an order enjoining any officer of the armed forces, or any one acting pursuant to his authority, who has violated or is about to violate or is attempting to violate any provision of this section."

Mr. VINSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON. I make the point of order against the amendment that it is not germane. It deals with the question of segregation outside of the Army in connection with hotels and pullman trains, and so forth. The gentleman has submitted his amendment to me and, of course, he recognizes it is subject to a point of order.

Mr. DOLLINGER. Will the gentleman reserve his point of order?

Mr. VINSON. I reserve the point of order, Mr. Chairman.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. I make the point of order that the amendment is not in order and is not germane.

The CHAIRMAN. The gentleman from Georgia has already made that point of order.

Mr. VINSON. If the gentleman is going to insist on it, I want a ruling. I

make the point of order, Mr. Chairman, that the amendment is not germane.

The CHAIRMAN. Does the gentleman from New York wish to be heard on the point of order?

Mr. DOLLINGER. No, Mr. Chairman, I will accept the ruling of the Chair on the point of order.

The CHAIRMAN. A similar point of order was raised in connection with similar legislation in 1948 when the gentleman from South Dakota [Mr. CASE] was in the chair. At that time the point of order was sustained. Accordingly, the Chair is constrained at this time to sustain the point of order made by the gentleman from Georgia [Mr. VINSON].

Mr. DOLLINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to vote for this bill, but, in my opinion, it is of primary importance and a vital necessity that you consider at this time certain proposed amendments which would safeguard potential Negro draftees from segregation and discrimination in the armed forces, and from Jim Crow abuses in public facilities and interstate travel.

It is a shocking commentary upon the armed forces of this country—which supposedly carry high the banners of freedom and democracy—that within the ranks, segregation and discrimination are flagrantly practiced.

Does the Negro in uniform give less of his time, services, and loyalty than the white man in uniform? When the Negro gives his life for his country, is his life less precious to him than the white man's is to him? Why should the Negro in uniform be discriminated against in eating places, public accommodations, recreation, transportation, or other service or business? Why should he be fear-driven and unjustly attacked, as we know he has been?

We know these sad conditions exist, and gentlemen, we should be ashamed of them. Let us at this time give the Negro his just due; let us give him the protection he needs; let us make him proud to wear the uniform of his country, knowing that when he fights to preserve liberty, that liberty is already his and a reality, not a myth.

On January 13, 1949, I introduced H. R. 1353, to prohibit race segregation in the armed forces of the United States. No action was taken on my bill. We are now considering the question of extension of the draft. Briefly, the amendments I proposed would prohibit all segregation and discrimination in our armed forces; bar all Jim Crow in interstate travel for persons in uniform; provide that the attack on, or lynching of, a draftee shall be a Federal offense; give draftees and other military personnel the option or not serving in States with prosegregation and prodiscrimination statutes on their books; provide that no member of the armed forces shall be subject to discrimination of any kind by any public authority or place of public accommodation, recreation, transportation, or other service or business; provide injunctive relief for a person subjected to any form of military Jim Crow; require fair employment practices on the

part of contractors or merchants holding Government contracts.

I am familiar with the report to the President of his Committee on Equality of Treatment and Opportunity in the Armed Services. They have done very constructive work and in a short time have accomplished much. They stated that in the reasonably near future equal opportunity for all armed personnel would be assured. We know, from reading the report that it is claimed that the integration program is moving ahead rapidly and that it is admitted that by permitting Negroes equal opportunity we have a better utilization of manpower and ultimately greater military efficiency.

It is only reasonable to ask, therefore, that the amendments I am submitting be accepted by this House. In this way we will insure to all those in uniform the rights and protection to which they are entitled. Such action on your part will win for you the acclaim of all those who truly believe in democracy—and who would like to see our Government practice what it preaches.

I say that we cannot, in good faith, point with pride to our achievements; we cannot, with honesty, pose as a model of democracy to other nations; we cannot hope to lead other nations along the road to peace and good will so long as we have a single Negro who is barred from a restaurant, so long as we have a single soldier who is forced to live in a Jim Crow barracks.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from New York.

Mr. JAVITS. I should like to compliment the gentleman on the fact that he has been very diligent and active in the struggle on what he considers to be a very material issue of justice—non-segregation in the armed forces—a cause in which I have been active for a long time. He has done very effective work in it. May I say to the gentleman, too, in view of what was said a little while ago, that the cause itself is certainly not served or helped by anyone seeking to impugn the motives of those who fight consistently in it.

Mr. DOLLINGER. I thank the gentleman for his contribution.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time momentarily to interrogate the chairman of the Committee on Armed Services with respect to an old chestnut which I find still rolling around the corridors of the Capitol, and sometimes even creeps into the Halls of Congress. I am referring to the item back in our military history referred to as the fortification of Guam. As time passes, the memory of many of us here is inclined to become hazy. I should like to verify for the RECORD the facts as they occurred at that time, with the permission and concurrence of the gentleman from Georgia.

Is it not a fact that at no time prior to December 1941 was there any proposal pending before the Congress providing

for the fortification of Guam? Is it not the fact that the only proposal considered by the Congress and rejected by the Congress in 1940 was an item calling for the expenditure of \$5,000,000 to provide for the establishment of a seaplane base? Is it not the fact that the testimony disclosed before the gentleman's committee at the time was to the effect that to have fortified Guam would have cost \$100,000,000 in the opinion of Admiral Leahy?

Is it not also the fact that in the opinion as expressed by our responsible military people even though Guam may have been fortified, it would not have resulted in any difference in the military operations in the Pacific?

While the RECORD also should show that the gentleman from Georgia favored that item of construction at that time and I opposed it, and I do not care to engage in the merits of the discussion, but have I not stated the facts as they occurred?

Mr. VINSON. As the gentleman stated at the outset, a great many Members are a little cloudy about legislative matters that far back, and I am a little cloudy on it myself. I think it would be better for me to answer the gentleman, in order to be accurate, by putting the information in the RECORD at a later date. I will do that.

But I can say that when the Guam item appeared in the bill it was only for \$5,000,000. There was no bill before the old Committee on Naval Affairs at that time to appropriate a hundred million dollars, except that which was suggested by Admiral Leahy. The committee rejected it. What we did as regards Guam was merely to authorize \$5,000,000 to clean up the harbor so seaplanes could alight there. I think so much water has passed over the dam since then, that I should put the balance of the information in the RECORD.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. VAN ZANDT. Is it not true that the Senator from Massachusetts, then chairman of the Senate Committee on Armed Services, David I. Walsh, made a public statement to the effect that the administration never asked the Senate of the United States for one penny to fortify Guam?

Mr. VINSON. That is right.

Mr. COLE of New York. That is my recollection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. McCORMACK. May I remind the gentleman from New York, and the gentleman from Georgia, that when the matter came up on two occasions, that is, when the appropriation of \$5,000,000 came up on two occasions, the argument was specifically made and we knew it was in connection with the fortification of Guam—this was years ago, and I do not know why it has been brought up today. But I remember well the speeches that were made and that \$5,000,000 was to enable the airplanes to get in there with safety and the whole basic argument was the question of the

fortification of Guam, and if we had proceeded with that, then other action would have had to follow.

Mr. COLE of New York. It is my recollection that the gentleman's statement of his recollection is quite in error.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, everyone knows that it is difficult, if not impossible, to win a war unless the people are back of the military leaders. With or without reason, many of our people have little, if any, confidence in Mr. Acheson, head of the State Department. If we are preparing for war—and that seems to be the move here—why do you not first just get rid of our Secretary of State and of all those who are responsible for the present situation?

Mr. BRYSON. Mr. Chairman, "Eternal vigilance is the price of liberty." This admonition comes down to us through the ages. Never was it more applicable than today.

No matter how much one may be opposed to war even the extreme pacifist or isolationist could fail to see how imperative it is for us to pass favorably and promptly upon H. R. 6828. To be sure, many of us rebel against the idea of the draft, but there is plenty of precedence for such legislation.

How well I recall the draft in World War I. Being a young student at that time and not fully conscious of the necessity for strong military forces, the suggestion of the draft did not appeal to me. In order to evade the draft, like many other young men, I volunteered as a private to prevent being drafted.

I have voted for the drafts every time they came before Congress during the 12 years I have served in this body. When it became necessary to extend the draft before World War II, which extension was granted by only 1 vote, I cast that vote. Anyone who voted in the affirmative could claim that he saved the day since a single vote continued the draft. One cannot imagine the plight we may have been in following subsequent developments if we had not extended the draft at that time.

As a father of veterans and of a young 16-year-old son, I naturally do not desire to send my sons off to war. There are conditions, however, more terrible than war. Some of us have visited occupied countries. Although one could never conceive of our own great country being occupied by foreign forces, such is entirely possible. We have no guarantee of our continuing independence if we fail to do our duty today.

It is comforting to know that every substantial authority, both civilian and military, without regard to politics, is in accord with the views of our Committee on Armed Forces.

The present Selective Service Act expires on June 24. Let us promptly pass this extension. Of course, all of us hope and pray that its provisions will not become operative. However, present

trends all around the world definitely suggest that the day is not far off before we may need not only to defend our allies, but even to repel invasion of our own shores. It is my prediction that this measure will pass unanimously. I sincerely hope so.

Mr. YOUNG. Mr. Chairman, in this troubled and war-torn world the dictators of the Soviet Union understand best force, power, and our determination and ability to resist Soviet aggression and Communist infiltration. Isolationism was, in part, responsible for our being forced into World War II.

I support this resolution. It is important in the maintenance of the peace of the world and in our policy to provide military assistance to the democracies of Europe that we support a resolute and determined foreign policy against the Soviet Union which has been following a policy of aggression in the Hitler pattern. I favor maintenance of a powerful Air Force, Army, and Navy. Regarding national defense, if we count our pennies now we in America may have to count our war dead later. We should register our young manhood. We should keep our powder dry. We should hope for peace, believe in peace, and pray for peace, but at the same time we must be prepared for war. My vote is in favor of the democratic program of selective service—in favor of maintaining our draft machinery in order—in favor of registering and classifying young men for service in our Armed Forces. This bill should be enacted into law, and soon.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having resumed the chair, Mr. ROONEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6826) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes, pursuant to House Resolution 597, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HOFFMAN of Michigan. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the bill be recommitted to the Committee on Armed Services.

Mr. VINSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit. The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and the Speaker pro tempore announced that the "ayes" appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-eight Members are present, a quorum.

Mr. MARCANTONIO. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 216, noes 11.

So the bill was passed.

Mr. VINSON. Mr. Speaker, I offer a motion to amend the title.

The Clerk read as follows:

Mr. VINSON moves to amend the title so as to read as follows: "To provide for the common defense through the registration and classification of certain male persons, and for other purposes."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia.

The question was taken; and the Chair announced that the yeas seemed to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. MARCANTONIO. Mr. Speaker, I just wanted to show that it could be done. There is nothing important involved.

The SPEAKER pro tempore. The gentleman withdraws his objection.

The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on the bill just passed, and also have permission to extend their remarks in today's RECORD at a point just previous to the vote on the passage of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to

provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academies.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 476) entitled "Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes."

SPECIAL ORDER VACATED

Mr. FELLOWS. Mr. Speaker, I have a special order for today and I ask that it be vacated, as I shall not utilize the time.

SPECIAL ORDER GRANTED

Mr. JENISON asked and was given permission to address the House for 10 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. KELLEY of Pennsylvania, for an indefinite period, on account of attending as alternate delegate to the International Labor Conference, Geneva, Switzerland.

To Mr. TALLE, indefinitely, on account of urgent public business.

To Mr. TRIMBLE (at the request of Mr. STANLEY) for remainder of the week, on account of illness.

To Mr. LODGE (at the request of Mr. ARENDS), for May 24, on account of official business.

To Mr. PATTEN, for 2 days, May 25 and May 29, on account of official business.

EXECUTIVE COMMUNICATION NO. 1412

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, and at the request of the chairman, I ask unanimous consent that Executive Communication 1412 be referred from the Committee on Ways and Means to the Committee on Expenditures in the Executive Departments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. DURHAM (at the request of Mr. VINSON) was given permission to extend his own remarks.

Mr. PATTERSON asked and was given permission to extend his remarks and include a historical report.

Mr. PHILBIN asked and was given permission to extend his remarks and include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include extraneous matter.

Mr. McCULLOCH asked and was given permission to extend his remarks and include an editorial from the Christian Science Monitor.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6329. An act for the relief of Betsy Sullivan; and

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Thursday, May 25, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1473. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1474. A letter from the Comptroller General of the United States, transmitting a report on the audit of certain corporations supervised by Farm Credit Administration for the fiscal year ended June 30, 1949, pursuant to requirements of the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 603); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1475. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee of Conference. House Joint Resolution 476. Joint resolution making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 2123). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 6270. A bill to authorize the sale of certain allotted inherited land on

the Winnebago Indian Reservation, Nebr.; without amendment (Rept. No. 2124). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 7294. A bill authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross; without amendment (Rept. No. 2125). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 8616. A bill to provide that students away from home while attending college shall be enumerated for census purposes as residents of the enumeration district in which their home is located; to the Committee on Post Office and Civil Service.

By Mr. HART:

H. R. 8617. A bill to amend title 14, United States Code, entitled "Coast Guard"; to the Committee on Merchant Marine and Fisheries.

By Mr. ADDONIZIO:

H. R. 8618. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANKIN (by request):

H. R. 8619. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 8620. A bill to authorize the expenditure of certain moneys toward the rehabilitation of disabled war veterans; to the Committee on Veterans' Affairs.

By Mr. DAWSON:

H. R. 8621. A bill to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government; to the Committee on Expenditures in the Executive Departments.

By Mrs. WOODHOUSE:

H. R. 8622. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. TAURIELLO:

H. R. 8623. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8624. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and orders, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H. J. Res. 477. Joint resolution to authorize the temporary operation of the Morgantown ordnance works at Morgantown, W. Va.; to the Committee on Armed Services.

H. J. Res. 478. Joint resolution authorizing the President to issue a proclamation designating October 31 of each year as Youth Honor Day; to the Committee on the Judiciary.

By Mr. LANE:

H. J. Res. 479. Joint resolution designating the period beginning September 3 and ending September 9 as Civil Rights Week; to the Committee on the Judiciary.

By Mr. HORAN:

H. Res. 616. Resolution to authorize and direct the Committee on Post Office and Civil Service to investigate and study the field service of the Post Office Department for the purpose of considering and devising plans for the complete reorganization of such field service; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE:

H. R. 8625. A bill for the relief of Fryderyk Kachel; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 8626. A bill for the relief of Daniel Simon; to the Committee on the Judiciary.

By Mr. DONDERO:

H. R. 8627. A bill for the relief of Charles P. Hauser; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 8628. A bill for the relief of Jerome M. Dunn; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 8629. A bill for the relief of Mary Gemma Kawamura; to the Committee on the Judiciary.

By Mr. KEATING (by request):

H. R. 8630. A bill for the relief of George Crisan; to the Committee on the Judiciary.

By Mr. LEMKE:

H. R. 8631. A bill authorizing the issuance of a patent in fee to Gabriel Martin; to the Committee on Public Lands.

H. R. 8632. A bill authorizing the issuance of a patent in fee to Lucy Looking Elk Dog Eagle; to the Committee on Public Lands.

H. R. 8633. A bill authorizing the issuance of a patent in fee to John Brave Bull; to the Committee on Public Lands.

H. R. 8634. A bill authorizing the issuance of a patent in fee to Charles Tusk; to the Committee on Public Lands.

H. R. 8635. A bill authorizing the issuance of a patent in fee to Margaret Jordan White Eagle; to the Committee on Public Lands.

H. R. 8636. A bill authorizing the issuance of a patent in fee to Mary Runs The Hoop; to the Committee on Public Lands.

By Mr. MCGUIRE:

H. R. 8637. A bill for the relief of Eleanor Ambrosi; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 8638. A bill for the relief of Mrs. Ellen Howlett; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8639. A bill for the relief of Mrs. Emma Hankel; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 8640. A bill for the relief of Giuseppe and Edward Moschetti; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 8641. A bill for the relief of the legal guardian of Clyde L. Watson, Jr., a minor, and Laverne F. Andrews; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2165. By Mr. HESELTON: Resolutions of the General Court of Massachusetts, memorializing Congress to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2166. By Mr. RICH: Resolution of Catholic Daughters of America Court No. 111, Renovo, Pa., urging that the Postmaster General's order to reduce postal service be rescinded;

to the Committee on Post Office and Civil Service.

2167. By the SPEAKER: Petition of L. O. Robertson and others, Everett Townsend Club, No. 1, Everett, Mass., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2168. Also, petition of Rev. J. A. Logan and others, Townsend National Recovery Plan, Inc., of Florida, Geneva, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 25, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, in a world swept by violent forces with which, in our own strength, we cannot cope, Thou only art the rock of our salvation. Through all the mystery of life Thy strong arm alone can lead us to its mastery. In a time when the world's hopes depend on personal character, may there be found in those who are here called to serve the Republic those spiritual values which alone can bring order out of chaos and peace out of strife. As those into whose unworthy hands in this day of peril has been placed the crying needs of stricken humanity, may the thoughts of our minds and the sympathies of our hearts, the words of our lips, and the decisions of our deliberations be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

THE JOURNAL

On request of Mr. CONNALLY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 24, 1950, was dispensed with.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate today and tomorrow.

On request of Mr. WILEY, and by unanimous consent, Mr. MCCARTHY was excused from attendance on the session of the Senate today.

On his own request, and by unanimous consent, Mr. ANDERSON was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. JOHNSON of Texas was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. BUTLER was excused from attendance on the sessions of the Senate tomorrow and Monday, May 29, 1950.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CONNALLY, and by unanimous consent, the Committee on Public Works, a subcommittee of the

Committee on the Judiciary, a subcommittee of the Committee on Foreign Relations, and a subcommittee of the Committee on Labor and Public Welfare were authorized to meet during the sessions of the Senate today.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday the time between now and 4:30 is divided 2½ hours for the proponents and 3 hours for the opponents of the conference report.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. I should like to ask the distinguished acting majority leader if he intends to have a quorum call.

Mr. CONNALLY. I make the point that there is not a quorum present, to satisfy the Senator. It is agreeable to me to have a quorum call.

Mr. WHERRY. With the time to be charged equally to both sides?

Mr. CONNALLY. Yes, Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the quorum call be vacated.

The VICE PRESIDENT. Without objection, the order for a quorum will be rescinded, and the further proceedings under the call will be suspended.

Under the unanimous-consent agreement the time is to be controlled by the Senator from Texas [Mr. CONNALLY] in favor of the conference report, and by the Senator from Colorado [Mr. MILLIKIN] in opposition. The opponents have 3 hours, and the proponents two hours and a half. The Chair assumes that the time taken in the quorum call will be equally divided between the two sides.

Mr. MILLIKIN. Mr. President, the main business before the Senate is to legislate the extension of the ECA program with a view to its ultimate demise. Intruded into this important concern is the inclusion, by oblique and back-door strategies, of the so-called point 4 carry-on program, which is limitless in scope and duration, indefinite in purpose, and which contains the strong possibilities of harmful results to our country.

No effort was made to achieve wide areas of agreement on both sides of the aisle for the support of this program as it left the Senate, or as it comes to us in its expanded form from the conferees. There were no adequate preliminary studies similar to those which preceded the comparably important ECA program, and which were conducted by the Harri-man, the Krug, and Herter committees.

This off-the-cuff approach to foreign policies of incalculable impact upon the

welfare of this Nation and of the world flies in the face of commonly accepted precepts for sound legislative procedure, and rebukes the sound advice of a statesman such as the senior Senator from Michigan [Mr. VANDENBERG], urging careful preliminary study.

This radically changed point 4 program affronts the due process of the Senate. Coming to us for the first time from conference, we have no alternative but to take or to leave it in its entirety. That which we are asked to take bears only submicroscopic relationship to that which was approved by this body.

A reading of the conference report and a comparison of the report with the bill which left the Senate shows complete surrender to the House version of a bill which met with one form or another of condemnation by every member of the Senate Foreign Relations Committee attending the 2 days of hearings to which I have referred. These abbreviated hearings did not scratch the surface of the subject because it was made clear by the committee that it did not intend to approve a measure of the type now before us.

The magnitude of the surrender of our conferees is measured by their acceptance in conference of 401.5 of the total of 417 of the lines of the House version of point 4, and of 14 or 15 minor changes in wordage.

The Senate version, as amended, with a cut-off 5-year term and with explicit provisions of the Russell amendment making certain that there were no obligations beyond simple and limited technical assistance, was surrendered by our conferees, and now we face—

Mr. CONNALLY. Mr. President—
The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. MILLIKIN. Certainly.
Mr. CONNALLY. I challenge the last statement of the Senator. The conferees did not surrender. The language was changed because we adopted the House language, but the purposes of the clauses in the bill are the same as those indicated in the so-called Russell amendment.

Mr. MILLIKIN. I suggest that there is a vast difference between the changes incorporated in the conference report and the Russell amendment, and that will be developed. I hope also to develop substantive changes between the Senate and the House versions.

Now we face the full implications of the point 4 program of technical assistance and foreign investments without defined limits of scope or duration.

The relatively mild Senate version of point 4 met with intense resistance because it was considered by many Senators as an ill-timed and inadequately considered preliminary to the full point 4 program which is now revealed to us by conference legislation. The Senate version passed by a vote of 37 to 36. I believe that many of those who voted for the Senate version did so because of its allegedly limited character—limited to simple technical assistance and exchange of knowledge, for which we have the precedent of existing legislation such